

# RECORD COPY

PROBLEMS OF PENSIONERS

Socio-Economic Policy

AND

Administration

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## PROLOGUE

1. Problems faced by the pensioners - whether belonging to Central Government, State or the Local Governments, have attracted the attention of the Pay Commissions, Social Reformers, politicians as also the 'associations of pensioners'. But no meaningful study - covering and analysing various aspects of the pensioners' problems - was done in the context of various pension rules. The Department of Social Welfare, Government of India, were anxious to sponsor such a study project; the Department perhaps approached some Institutes for persuading them to undertake a Survey-cum-Research study; in this process they wrote also to Indian Institute of Public Administration in the second-half of 1974. The then Director of the Institute sent the project proposal to the Department of Social Welfare in October, 1974. After going through formal processing of the case, the sanction of 'grant-in-aid' was communicated to the Institute in February, 1975. However, owing to gaps in communication the finalization of the project crystallized in October 1975 - though the work was begun in February, 1975 with 'core' staff of one-person consisting of Associate Project Director. The full complement of the staff, in essence, was recruited effective from January 1, 1976, and since that date the Associate Project Director worked in an honorary capacity.

2. The work was initiated by contacting (i) the offices of the Accountant Generals (namely, Accountant General, Central Revenue; Accountant General, Commerce, Works and Miscellaneous; Accountant General, Posts and Telegraphs; and the Director-General of Accounts Posts and Telegraphs; Financial Commissioner and the Director of Accounts, Railways/Railway Board); (ii) Treasury Officers (at Tees Hazari, R.K. Puram, Chief Pay & Accounts Officer); (iii) Post Master General's and G.P.O. Post Masters; (iv) Bharat Pensioners' Samaj; (v) Nationalised Banks; etc. Also visits were undertaken to (1) Delhi School of Social Work - who had been in the midst of a study on the 'Aged' in Delhi; and (2) National Institute of Public Cooperation and Child Development - who were doing a study of the public and private pensioners to identify the scope for voluntary work by them.

3. It is gratifying that a couple of joint meetings were held with the senior officers of the offices of the Accountant General Central Revenues; and Accountant General, Commerce, Works & Miscellaneous - with the Accountant General, CW&M in the Chair. So also meetings and discussions were arranged with (1) Senior Deputy Accountant-General, Posts and Telegraphs; (2) Deputy Director-General Audit and Accounts, P & T; (3) Ministry of Finance, Div. (E), Pension Division; (4) Treasuries - at Tees Hazari and R.K. Puram; (5) Post Masters at G.P.O., Parliament Street; Kashmiri Gate, and Gole Market; (6) Bharat Pensioners' Samaj; (7) Syndicate Bank, R.K. Puram Branch; (8) State Bank of India, Parliament Street Main Branch; etc.

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4. All these above listed meetings, discussions and visits were arranged to gather information and to acquire insights and operational experiences and views of the officers and functionaries so that some base is created to develop the strategy for developing the line of action in regard (a) to developing of a research design; (b) the mobilization of pertinent information, data about the civil and defence services pensioners; (c) the universe of pensioners - and the size of the sample - and the manner, method, source and base structure of drawing the sample; (d) the drafting of the interview schedule, discussions with different knowledgeable people, and (e) testing and finalising of the interview schedule, etc.

5. In sorting out the definite course of action an Advisory Committee was also formed consisting of (1) Prof.V. Jagannadham - the Project Director - Chairman; (2) Dr.A.B. Bose, Director-PREM, Deptt. of Social Welfare; (3) Dr.K.G. Krishnamurthy, Joint Director, Social Welfare Unit, Planning Commission; (4) Prof. A.P. Barnabas; and (5) Dr.C.M. Palvia - Associate Project Director. The Advisory Committee met thrice - first, to sort out some preparatory problems; second, to review the mid-term progress and the status of the substantive work relating to the experiences gained as a result of pre-testing of the interview schedule, etc. - this meeting was also attended by Shri R.N. Haldipur, Director, IIPA; and third (in November, 1976) to apprise about the Draft Report completed and the Chapter on 'Introduction and the Summarized Conclusions and Recommendations' and to invite suggestions to improve over the Draft Report.

6. It was gratifying that in the conduct of this 'Survey-cum-Research Study' ungrudging cooperation and advice came in from the various institutions/organizations and their authorities and individual officers. It is difficult to list all the individuals met and discussed with. It is, however, important to mention the names of a few. Shri G.N. Pathak, Accountant General, Commerce, Works and Miscellaneous, Shri Gupta, Senior Deputy Accountant General (Pensions), Commerce Works and Miscellaneous, Shri Mahendra Kumar Jain, Senior Deputy Accountant General - Pensions (Central Revenues) and Mrs. Nirmala Dhume, Senior Deputy Accountant General, P & T; Shri N. Vasudevan, Deputy Director-General, Accounts and Audit, P & T; Shri Bhattacharya, Director of Accounts, Railways; Shri S.N. Mathur, Deputy Secretary (Pension), Ministry of Finance; and Shri S.S.L. Malhotra, Under Secretary (Pension), Ministry of Finance; and Shri S.P. Ahuja of the Budget Section, Ministry of Finance who had been always willing to brief us on the Pension Rules, Procedures, Processing, causes of delays etc. which valuably enriched our understanding. So also the Treasury Officers of the R.K. Puram, Treasury (earlier Shri Pandit and later on Shri Sharma) and Shri R.C. Jain of Tees Hazari Treasury offered us all the facilities in canvassing the interview

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schedule in the Visitors' Hall at the respective treasuries.

7. The Manager, of the Syndicate Bank, R.K. Puram Branch and Shri P.K. Jain (Pension Section) of the State Bank of India, Parliament Street Branch were highly cooperative in sorting the random sample out of the pensioners who were drawing pensions from the treasuries through the banks. In addition, the residential addresses of the sample pensioners were also obtained from the respective banks; this was crucial for writing letters to the pensioners seeking appointments with them - when our interviewers could call on them for canvassing the Interview Schedule and for this we are grateful to them. Shri Seva Singh - Post Master (Gole Dak-Khana), Shri R.P. Dua, Dy. Post Master (Accounts) of Kashmiri Gate, G.P.O. were very helpful in giving information about the convenient dates when the civil pensioners have been collecting pensions from the respective Post Offices; so also the post masters of the post offices in Sarojini Nagar, Krishna Nagar, Malvia Nagar, Rajouri Garden and Jank Puri were equally cooperative.

8. We are also grateful to principals of the Delhi School of Social Work earlier Professor S.N. Ranade and now Dr. K.D. Gangrade and Shri P.N. Iyer (Principal Investigator) who were extremely helpful in regard to apprising about the methodology they had adopted in regard to the research design and sample size in respect of the survey they had conducted of the 'aged' in Delhi and also to Dr. Chatterjee and Shri Srivastava of the National Institute of Public Cooperation and Child Development. The office bearers of the Bharat Pensioners Samaj - Shri Behari Lal Vig - Secretary-General, and Shri M.L. Batra, Chief Organiser, took interest in the project and apprised us about the various woes that the pensioners suffer and the difficulties they confront and the crusading work they are doing in regard to lobbying for the liberalising of disbursement facilities and of the pension rules to improve the social and economic conditions, and to receive payment of pensions in time.

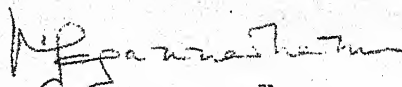
9. The work to accomplish the Project Report would have been more difficult but for the unflinching work done by the staff of the Project - Miss Shanta Kohli - Research Associate assisted by Miss Renu Suri now Mrs. Renu Sain, and Miss Kamlesh Tuteja - the Senior Investigators and earlier Shri P.R. Rao - who left in April, 1976 after working for about six months). In addition, the help and advice on the statistical work was available from Shri P.N. Chowdhary, Research Associate and Senior Investigators - Shri Ved Awasthi and Shri K.L. Ratra belonging to the Slum Project. Here it is pertinent to say that Dr. H.R. Trivedi, out of his academic interest in this project was readily available for discussions and gave freely his energy and time towards structuring the strategy for the survey.



10. Shri R.N. Haldipur, Director, Indian Institute of Public Administration, New Delhi has been extremely helpful in crystallizing various academic, personnel and administrative problems as well as taking interest in participating in discussions at various stages of the progress of the research project under reference.

11. All administration help was made available by the Registrar Shri R.G. Mulgund and the Assistant Registrars Shri Kohli -Admn., Shri Nagar -Accounts, and Shri Ramakrishna (Training). Our grateful thanks are due to them and to the Director of the Institute.

12. Shri G.C. Tandon, who, as a Stenographer, was always a willing worker in taking dictation and typing the material, and Shri A.K. Gupta also helped in typing the material.

  
V. Jagannadham  
Project Director

P.S.

For the views expressed in the Report, the responsibility is that of the Authors and not of the various persons whom we had the opportunity to consult.



X  
X It is acknowledged that the Report was drafted by X  
X Dr.C.M. PALVIA; the field survey and tabulation were X  
X looked after by Research Associate (Kumari Shanta Kohli) X  
X who was assisted by three Senior Investigators (Shri P.R. X  
X Rao, Kumar Renu Suri and Kumari Kamlesh Tuteja) X  
X

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## INTRODUCTION

O.01 In ancient days, including in the Middle ages, the State did not take or had the responsibility of giving pension to its employees - who had served life-time or for a period 30-40 years. The general issue of providing social security in the old age, was not even thought of. The economic life was not complex - as we have now in the industrial age (or in pre-industrial age we have in most of the developing age); or sizeably complex life that would perhaps develop in the post-industrial era of nuclear-cum-space-cum-electronics Age as many futurologists and scientists predict and hopefully plan the humanity's destiny.

O.02 The concern for the welfare of the aged is growing in developed as well as in developing countries as many UN studies point that the span of longevity is increasing and some liberalisation of retirement laws and rules on superannuation at a certain specified age. Resultantly, the earnings of social security in old-age - pension, gratuity, family pension, provident fund, commuted pension etc. are increasing in size and value.

O.03 The perspectives about the old-age, the 'aged', and the attendant problems in respect of the retirees and the pensioners along with the fast-increasing burden on the economies as a whole and on the Exchequer regarding the mounting pressure on the Budgets in regard to private pensions - both the developed and the developing countries attracted the attention of the United Nations General Assembly as early as 1948 vide Resolution 213 (III) and that by ECOSOC in 1949 (Resolution 198 - VIII). Later on, a preliminary report was prepared by the Secretary-General following General Assembly Resolution 2599 (XXIV), in 1969. The preliminary report had stressed, among other points, that the approach to the problems and needs of the aged in terms of policies and programmes should be part of the over-all economic and social programming and should not be treated in isolation.

O.04 Further, the General Assembly invited attention in its 26th and 28th sessions towards preparing a Report on the

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conditions and needs of the elderly and to suggest guidelines for national and international action for them. Accordingly, the Secretary-General of the United Nations prepared a Report, and the issue was further included in the Work Programme for 1974-75 of the U.N. Commission for Social Development and an Expert Group 2-week meeting was first convened during May, 1974 for elaborating the guidelines framed in the Secretary-General's Report and to supplement them, if necessary.

0.05 In most countries and regions of the world, the 'aging' of the population is making very profound affects on the size, proportion, structure and functions of the family/household; the proportion of the working population, targets and organisation of health, education, economic and social policies. Simultaneously, of late, cross-national researches on 'aging' have been mounted in different disciplines - while they were earlier confined in the narrow groove of the discipline of 'demography'. As a result, new disciplines of 'gerontology', 'geriatrics', 'senescence', 'societal and industrial gerontology' have come on the fore.

demographic factors 0.06 The Chapter I, discusses various dynamic factors of demographic changes and invites attention to the slow but ever-changing phenomenon of 'mortality', 'aged', and the range of 'age classification' of the old age. The 'expectations of life at birth and specific ages' in the developing countries, it is estimated, would move even more fast than the developed countries - and the 'expectation of life' in the former will move to '65.3 years' by the year 2001 from '50 years' - as compared to '73 years' from '70 years', in the latter.

characteristics of retirement period 0.07 In Chapter II, it is brought out that retirement arising out of old age brings about loss of work - and thus retirement is a forced condition; only consolation is that it is accompanied by eligibility for pension - though a 'right to income'

is reduced siz-ably, but without rendering any service or work. 'No work' situation develops symptoms of frailty and disability, and 'marked financial and physical difficulties and dependency; and a healthy pensioner feels that his age has made him a prey of discrimination - particularly when he may not find another gainful employment, if he badly needs it. Consequently, a wide contrast ensues in respect to rights, duties, relation, life-style, status, recognition, autonomy, because of the compulsions of stark economic and social realities and the irreversibility of the living standards achieved, before retirement. But in India, the aged and the senior citizens even now largely, are looked with respect - and many retired people still find pleasure in identifying themselves in terms of job held or the organisation to which they belong - though it is no denying that the association is slowly becoming tenuous. It has been stressed that broadly the government retirees/pensioners begin retired life with financial assets of (a) Provident Fund, (b) endowment insurance fund, (c) gratuity, (d) commuted pension etc. In spite of it, a large majority of pensioners - particularly in lower income brackets who form about 60 per cent - are left to fend for themselves by accepting charities from other family member /relations, etc. A sequential evolutionary institutional system is described which avers that the institutionalisation of retirement and pension is a new social role and a newly-phased life-style which is about 100 years old. As compared to early stages of human civilisation when aged were few as the life-span was shorter and they were respected in spite of their being dependent on the family/village society - since economic 'surpluses' were also scarce. Onset of agriculture and later of industrialisation helped in augmenting the surpluses; concept of 'property' evolved and upper strata could support themselves and some of the 'aged' - but the tillers and toilers had to fend for themselves. But more surpluses were generated when the use of non-human energy vis-a-vis human energy grew

in the ratio of 1 : 59 per man-year output quantitatively and qualitatively rose; and it created an atmosphere for institutionalisation of 'paid retirement' as a social duty and right. The first pension Law, in India, came in 1871, and after a century, in 1974, a short amending Act was passed by the Parliament. However, a Draft Pension Act presented to Lok Sabha by a Member is given under Appendix -II.

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0.08 In Chapter III, a demographic scenario of India is presented of the past, present and future (upto 2001) and it is estimated that India's population in 2001 will be about 881 millions - from about 630 millions in mid-1976. It is stated that the working population of India, in 1971, at 170 millions (31 per cent of total population) is likely to grow to 297 (33.3 per cent to total population); and the employment in the public sector (in Centre, State and Local institutions) is 11.2 millions - forming about 2 per cent of the total population and 6.2 per cent of the working population. As regards central government employees who are entitled to pensions, it can be adduced that nearly 86 per cent of the 3.1 million Central government employees are in four Ministries; 50 per cent, in Railways; 17 per cent, in Defence; 14 per cent, in Communications; and 5 per cent in Home Affairs. It is also mentioned that the mandatory age of retirement, as it exists in India, 'ranges broadly between 55-58 years - though it goes to 60, 62 and 65 years particularly in cases of scientists, technologists, members of the Public Service Commissions and the Judges of High Courts and Supreme Court. In comparison, the age of retirement in quite many countries is higher. At least out of 29 countries, for which data are available, in 2 countries, the age of retirement is 70 years; in 3 countries, 67 years; in 8 countries, 67<sup>years</sup>; in 9 countries, 65 years for men; in 1 country 63 years for women; in 1 country, 62 years for women; in 8 countries, 60 years for women; and in 6 countries, 60 years for men and 55 years for women.

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Pension  
Rules and  
Regulations

O.09 In Chapter IV, according to Central Civil Services (Pension) Rules, 1972, only substantively appointed Central Government employees, after rendering a qualifying service are entitled to pension. Under the Pension Rules for Central Civil servants, it is shown that there are nine types of pensions : (i) superannuation pension; (ii) retiring pension; (iii) pension under Rule 37 and 37-A; (iv) invalid pension; (v) compensation pension; (vi) compulsory retirement pension; (vii) compassionate allowance - 'in lieu of pension 'forfeited'; (viii) extraordinary pension; and (ix) family pension. The maximum pension, as a proportion of last average salary, under Pension Rules was 50 per cent; it was reduced to 37.5 per cent, in 1962 (along with DCRG introduced anew), and raised to 41.25 per cent from January, 1973 of last average pay - following Third Pay Commission's recommendations and later liberalisation effected in February, 1976. The maximum DCRG has been raised to Rs.30,000 from Rs.24,000 since 1.1.1973.

O.10 Also some experiences of the pensioners, in getting sanction of the pension received, payment of pension etc. are narrated under Para 4.24 which are, on many points, highly revealing.

O.11 From Chapter V onwards, the examination and analysis of various pension rules, procedures, organisation, disbursement of pensions, etc. commence - which ultimately provide further knowledge about the distribution of income levels of the pensioners, their literacy levels, family/household sizes, dependent members, social, economic, psychological conditions or difficulties of the members - including their housing conditions, reemployment aspects etc./that the pensioners confront are discussed. <sup>also</sup> So various international experiences are brought to focus for consideration of their relevance under Indian conditions, and the social, economic and political philosophy as enumerated from time to time in the country.

atives 0.12 In respect of the/ aspects, an examination and analysis  
he of the social, economic, psychological, administrative fixed  
y problems was called for : and therefore, the main objectives/  
of the Survey-cum-Study are :

- (i) to estimate the magnitude and size of the pensioners under the existing laws, regulations and orders and possibly make projections of the possible increases in the magnitude by the end of the century;
- (ii) to examine the existing policies, statutes and programmes and see whether these cover and are flexible enough to bring within their fold the rapidly expanding number of employees in the public and private sectors so as to provide effective assistance for the aged in the context of industrialisation of the economy and disruption of security under family auspices;
- (iii) to examine the organisation and procedures for the settlement and disposal of pension cases and regular payment of pension without harassment to the claimants;
- (iv) to find out the physical, emotional and social problems of pensioners with a view to suggesting measures for remedying these; and
- (v) to explore the possible role the pensioners could play in community life and rendering social services.

There are also some secondary objectives, hypothesis and their elaborations.

0.13 In the survey, the universe of study is : the Central Civil pensioners of Central Government Departments in Delhi - with main focus on socio-economic problems. Though the total number of Central employees were 3.16 millions, as on January 1, 1975 the pension-opting employees were 2.6 millions. The Central pensioners, on 1.1.1975, were 1.15 millions; 0.75 million defence pensioners; and 0.355 million central civil pensioners, thus the proportion of total pensioners is 37 per cent of the central employees; the technological ratio between central civil pensioners and central civil employees being 0.137 (or 13.7 per cent). In 1975, civil pensioners, in Delhi, numbered about 45,000 (or 14 per

cent of the total central civil pensioners).

The central employees, in Delhi Union Territory formed only 8 per cent of the total Central employees - giving

'coefficient of concentration' between the percentage of central civil pensioners/per cent of central civil employees. <sup>thus turned out to be 1.8</sup> Confining to Delhi for the universe, did not sacrifice the niceties of the sample sophistication - because Delhi has a canvass with the spectrum of the country's people who hail from Northern, Southern, Eastern and Western Regions/States of the country.

Summary  
of  
analysis

In Chapter VI, it 0.14 // is interesting to note that the female pensioners, in the sample, form 1 per cent but

including 'family pensioners' - their proportion rises to 10.5 per cent (or 105). There is relatively better egalitarian income distribution among the women who draw pensions. All the sample pensioners according to monthly pension-incomes have been classified into six income-brackets : (i) upto Rs.100; (ii) Rs.101-200; (iii) Rs.201-300; (iv) Rs.301-400; (v) Rs.401-500; and (vi) Rs.501 and above.

According to age-distribution of the 1000 sample pensioners, it is bell-shaped with a certain degree of skewness; however, the 'mode' age-group is '60-70 years' (with a share of 57.8 per cent). As regards knowledge of pension rules, procedures etc. 56.6 per cent of the pensioners were familiar but even they did not make advance preparation for retirement; 17.8 per cent prepared, only before less than 3 months of retirement, 45.2 per cent within 3-6 months before retirement, 29.7 per cent, 6-12 months ahead; and only 7.3 per cent for over a year. The proportion of non-preparations were in inverse relation to the income-levels; 84 per cent <sup>preferred</sup> in income bracket I; <sup>but only</sup> 25-28 per cent in income brackets V and VI.

The main causes of delay in the sanction of pension were :

- (1) loss of records; (2) attitude of dealing staff; (3) ignorance of rules and procedures; (4) departmental delays;
- (5) lapses of treasury etc. Nonetheless, nearly 82-86 per cent

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nsion sbursing encies were of pensions/sanctioned consummated within a year or even shorter period.

O.15 In Chapter VII, the issues regarding drawing pension from Treasuries/Banks/Post Offices have been examined along with the difficulties and inconveniences faced by the pensioners at Treasury, and also about part-time employment, the capital funds etc. and the incomes other than pension-incomes that the pensioners can earn. There are different pension disbursing Treasuries for the Government in the country but according to the choice of the pensioner, a choiced Treasury is allotted. In Delhi, there are three treasuries to disburse pension to civil pensioners - namely, Tees Hazari Treasury, R.K. Puram Treasury and the Chief Pay and Accounts Officer; they disburse the pension on different dates to different pension-income brackets of the pensioners. The selection of the sample pensioners was from the first two Treasuries as they catered to about 95 per cent of the central civil pensioners. Posts and Telegraphs Department's pensioners are largely expected to draw pension from assigned post offices. Thus, the 1000 sample pensioners consisted of 900 from the two treasuries and 100 from Post offices. Again, out of 900 pensioners drawing pension from Treasury, 100 were collecting the pension through the Banks. Thus, the interview schedules canvassed were : 800 at Treasuries; 100 by calling personally on those who drew pension through the Banks (after selecting them on random basis from the Bank Lists); and 100 from Post offices.

de of llecting nsions

O.16 The mode of collection of the pension adopted was different by different pensioners; of which 85.2 per cent collected monthly; 7.5 per cent bi-monthly; 5.6 per cent quarterly; and 0.7 per cent annually; The difficulties faced in getting the payments at Treasuries in particular were : on account of long wait, inefficient and insufficient staff, defective disbursing system, no facilities of fans, benches, canteen, queueing, call system etc.



Pensioners 0.17 Inadequacy of pension-income to meet the recurring  
Economic and expenditure was painfully realised by quite many pensioners -  
Social  
Problems particularly those who had more dependents - which was  
supplemented by doing part-time jobs, financial remittances  
from sons/daughters and borrowings etc. However, to some  
extent, the capital funds received at the time of retirement,  
in the form of Provident Funds, gratuity, commuted pension,  
insurance funds etc. were largely been relied on because  
more than 66 per cent of pensioners got funds over 'Rs.5001  
and more', of whom 26.1 per cent got 'Rs.20001 and more';  
and 17.2 per cent pensioners were in debt - primarily because of  
delay in receiving pension, DCRG, Commuted Pension, Provident  
Funds. Again, nearly 47.4 per cent of the sample pensioners  
had other sources of regular income, from purposeful invest-  
ments of their funds, in the form of dividend, rent, interest,  
post-retirement employment and remittances from relatives;  
and for 10 per cent of <sup>the</sup> pensioners this income ranged from  
Rs.501 -2000 per month.

Use of 0.18 In Chapter VIII, the changes in the use of retirement  
Leisure period and leisure time is discussed. Pre-planning for the  
retirement ab initio helps in warding off, in some way, the  
trials and tribulations of retirement period. Only 457  
pensioners of the sample had thought of 'how to use the  
retirement period' - of which 37.6 per cent had thought of  
re-employment; and 37.6 per cent of starting own business.  
But only 166 (or 36 per cent) could be successful in materia-  
lising their plans. As regards the retirement period spent  
by the sample pensioners, it turned out that 53.2 per cent  
spent less than 5 years' retirement - giving a 'mode' value for  
the group of retirees - which means that out of 0.355 million  
central civil pensioners, 0.186 million spent only less than  
'5 years' as retirees; whereas 0.4 per cent (or 40) had spent  
'30 years and more' as retirees or 1400 of the total 0.355  
million civil pensioners had spent '30 years or more' as  
retirees. Choices for spending leisure time by the pensioners

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had the following descending order : recreation, mixing with persons other than pensioners, picnics, excursions, visiting regularly the clubs, participation in informal education.

Housing  
Facilities

0.19 In Chapter IX, on housing conditions and housing facility analysis of the survey data is made. From that it follows that it is difficult to finance the 'rent charges' by a retiree; he has to pay sometimes all his pension-income as rent. This is clear from the data that 34 per cent of the sample pensioners were spending more on rent than they did before retirement; 26.9 per cent the same amount as before; 23.5 per cent were spending less - perhaps impelled by fall in income, shrinkage in family size, shift to lower - status residential colonies. Since pension-income is one-third of pensioners last pay - and he neither gets 'rent allowance', nor the city compensatory allowance and only half rate of dearness allowance <sup>on base pension</sup> /- which again becomes one-sixth of his pay. Only redeeming feature is that, after retirement, 31 per cent of the 1000 sample pensioners - who earlier lived in rented houses were living in their own houses - indicating that they had mobilised 'savings' as well as 'loan finance', as also lump-sum capital funds (consequent to retirement) for owning the houses. In respect of comparative 'housing levels of living', it can be rightly stated on the basis of UN developed indicators that central civil pensioners - living in Delhi Territory - had better housing facilities since 95.7 per cent of the sample pensioners lived in 'pucca' houses. Also, 94.4 per cent of the sample pensioner-households had supply of potable water through water taps; 80.7 per cent, had flush latrines; 70 per cent, had availability of community services 'very near' / their residence - and 23 per cent 'somewhat nearer'. Further, after retirement, in some cases the 'own houses' proportion increased because 31 per cent of the sample pensioners living as tenants, were living in own-houses -

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indicating their efforts to mobilise 'savings' and/or 'loan finance' and the 'capital funds' on retirement.

Social  
Integra-  
tion

O.20 In Chapter X, social problems faced by the retirees/aged are examined since in the industrialized and urbanised atmosphere in Delhi, with competitive market economy, the assumption is that it is difficult for the old people to command attention of the younger and working members of the family - neither they are fully equipped to solve the problems of their children and their education nor they can retain or make social contacts anew - and as such they miss regretfully the social ethos, warmth of the family, friends, neighbours, and society in general. But in our sample, 80.8 per cent got warmth from relations; 63.4 per cent from community; 63.6 per cent, from neighbours; 66.9 per cent from former colleagues; 66.9 per cent from society in general. However, it is possible that geo-social distance had grown between the old parents and younger sons/daughters due to 'generation gap' or difference in standard of living etc.

Income  
Level  
Maintenance

O.21 In Chapter XI, economic problems have been analysed in the light of data - and also in respect of the policy-orientation in developing the 'compensatory tool' to neutralise 'fall in income due to inflation' and/or revision in grades for the posts which the retirees occupied at the time of retirement. In the absence of 'compensatory tool', the diminutive income levels, rise in expenses on medicine, medicare, conventional social and festival-time expenses, high prices and heavy taxes - a majority of pensioners suffer from economic difficulties. Many countries have recognised the principle of 'maintenance of income levels' of the aged pensioners; the Government of India (and also the State Governments) during the last three years, following the recommendations of the Third Pay Commission, have taken steps to provide some relief in relation to consumer price indices but they have gone only half way. The sample data show that 94.6 per cent of the pensioners suffer from economic problems



and some of them feel that it is possible to mitigate partly the problems by getting rise in pensions, 'availability of casual employment', 'subsidisation of travel, health, education etc.'. Accordingly, by leading a longer life the pensioners suffer more financially since the rise in consumer price index erodes the income; for example, those who became pensioners in early 1940's, their real income value eroded by 94 per cent; by 75 per cent, of those who retired in 1950's; by 30 per cent, of those who retired in 1960's; and by 36 per cent, of those who retired in early 1970's.

0.22 Economic distress is writ large in 'old age'; and for 'pensioners' it is stark in developing countries. Economic support in old age is an earned 'right' and it is the fundamental duty of the community/State to bear the responsibility because the present earners in the country - in their 'childhood' were supported by the present retirees. So also, many of the 'gerontologists' feel notwithstanding contradictions and conflicting policy issues about favouring employment for the Junior and Senior citizens, that the aged can and will maintain themselves in a competitive market, if the society does not close the opportunities to work for the aged.

Health  
Problems

0.23 Health problems of the pensioners/aged are discussed in Chapter XII. Among the 1000 sample pensioners, it was noted that 40.5 per cent faced decline in health and the rest did not face such vicissitudes. Those who suffered, of them 72 per cent were patients of general debility, and/or stomach disorders, heart trouble/blood pressure, diabetes, eye/ENT trouble, insomnia etc. - highest percentage was for general debility and lowest for insomnia.

0.24 Whenever they suffered, 75 per cent of the sample pensioners expressed that family looked after them 'very well'; 16.7 per cent said 'fairly well' and showed preference for government hospitals/dispensaries; and only 6.6 per cent were in favour of private doctors/nursing homes. In daily chores, 18 per cent had difficulty in walking; 17 per cent, in regard to eye-sight; 17.8 per cent, due to mental tension;

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and 38 per cent, on account of general weakness.

Psychological  
Aspects

0.25 In Chapter XIII, psychological problems of the retirees/pensioners are identified and analysed. Old age is necessarily not an abode of diseases; though some may be quite healthy and some may be the prey of diseases. However, the illness that visits after retirement, is more of a psychological stance; the retirees begin to feel (a) that they are intruders to their adult children and also they do not like to be dependent on them; (b) that they can only play the role of a sick member of the society; (c) a state of desolation and social isolation - and they feel the loss of involvement and participation. In the sample, those who responded to question on this aspect were 805 and they gave more than one answers, 60 per cent of the latter expressed, that their life was 'dull'; 32.7 per cent, 'identified fall in their standard of living'; and 19.6 per cent felt that they were suffering from mental tension/worries, etc. Further, a subtle 'alienation' is felt by the 'aged' when the 'youth' describe themselves as the 'hope of the future' and the 'aged' the 'monuments of the past.'

Projection  
for 2000A.D.

0.26 The Chapter XIV, attempts to project the size and proportions of the 'aged' population in relation to total population. According to this exercise, in the last 25 years of the 20th century, India's population will rise to 881 millions (or say in round figures to 900 millions) - and along with it, in all probability, the proportion of the aged - "55 years and over", which is around 8 per cent of the total population, in 1976, will grow to about 18 per cent of the total population - and the proportion of younger age-group will grow at a slower pace; consequently, the proportion of the latter in total population will decline. The volume of employment in tertiary sector will increase since the demand for personnel with ingrained scientific and technological knowledge and training will grow at exponential rate and retirement age might even be reduced. Also, the working hours will decline, the size and proportion of leisure hours to

total working hours will as well decline fast. In sum, the proportion of the 'aged' and 'pensioners' will grow at an escalated rate - making a galloping demand on the community/Exchequer in social security bill. Such indications are gathering momentum already in the very-advanced countries, already, having 'expectation of life of 65-70 years and more at birth. Since India's 'expectation of life at birth' is likely to rise to about 65 years, in 2001, likewise features in the country will also present themselves. Incidentally, the electorates voting power in the political arena will also grow sizeably in favour of the 'aged'.

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CHAPTER -I

I. Dynamics of Demographic Characteristics in Aging

1.01 All the world over, the death hazards are getting minimized-following rise in standard of living, control over diseases, increasing supply of quantitative and qualitative food, clothing, shelter, education etc. Consequently, mortality - particularly infantile mortality rates have been steeply falling and the people both in advanced economies and in the developing countries have been living longer. The survival rates in different age-groups are improving; more people are living longer than they used to do earlier; elderly population as a proportion of total population as also as a proportion of working population is incessantly increasing.

1.02 So far it goes it is a healthy scene; nonetheless, relatively more aged people are out of the employment market, their earnings are much less than when they were employed actively. The combined proportion to the total population of the (i) younger people who would be prospective entrants in the employment market, and (2) the elderly citizens who are no more in the employment are also sizeably rising. These factors raise a higher degree of responsibility on the active members in the employment market to work more and also with more efficiency to provide wherewithals both for the population younger to them as well as the elderly population through the imposts both of direct and indirect taxes. <sup>Consequently,</sup> government subsidies, will move upwards at rising rates, to the elderly persons to enable maintaining of their real income levels and therefore their levels of living.

1.03 The operation of above phenomenon was taken note of by the United Nations and its Specialised Agencies (such as, WHO, ILO, ECOSOC etc.). The United Nations recognised, as

early as 1948, that with the social and economic progress, the number of old people and their proportion<sup>in</sup>/the total population will augment and certain new problems will necessarily emerge. Accordingly in its third regular Sessions, in 1948, the General Assembly adopted a Resolution -213(III) which asked the ECOSOC to undertake a study on the aged. The ECOSOC requested the U.N. Secretary-General, in its resolution 198 (VIII) on March 2, 1949, to prepare a report (a) on 'policies and measures' with regard to older people - including comprehensive old age security schemes and pension schemes; and (b) the impact of such measures on the standard of living of the aged. The Report (Supplement No.3, Chapter II, Sec.C(c) of the ECOSOC's XI Session) covered measures for the aged as regard to the security of income, housing, health, institutional care, employment, welfare and recreational services. In 1969, in its Resolution 2599(XXIV), the U.N. General Assembly revived further interest and resolved to accord 'priority' to the problem of the elderly persons; and the Secretary-General prepared a preliminary report (A/8364). The report emphasized that the approach to the problems and needs of the aged in terms of policies and programmes should be a part of "over-all economic and social planning" of a country and should not be tackled in isolation. The International Labour Organization also concerned itself since long with the aged labour, their retirement, social security and pension problems; the Food and Agricultural Organisation has devoted its resources to investigate conditions of the aged rural population; and the World Health Organisation has studied a series of health problems that confront the elderly people and has concerned itself with geriatrics, specialised health services and social welfare services to them.

1.04 Realising the urgency of the problem, the U.N. General Assembly, again in 1971, resolved (No.2842-XXVI) requesting the Secretary-General to prepare another 'Report on the Aged'. As a base-work, thirteen country and regional studies were

prepared for Bolivia, France, Ghana, Greece, Hungary, Iran, Lebanon, Pakistan, Uganda, Ukrainian SSR, USSR, USA and Yugoslavia by engaging individual national consultants. Based on these reports and material on population dynamics as also on the national pension plans of 65 countries, analysis has been brought out in a Report by the Secretary-General and was submitted to the General Assembly at its 28th Session and the action thereon was taken (vide resolution 3137 and 3188).

1.05 Later on, Expert Group meeting was convened in New York, within the frame of the 1974-75 work programme of the Commission for Social Development during May 6-14, 1974 to elaborate the guidelines given in the Secretary-General's report and to supplement them as required. The report of the Secretary-General and Expert Group's 'conclusions and recommendations' form Part -one, and Part -two of a UN study entitled : The Aging : Trends and Policies (Sales No.E.75 IV.3 of 1975).

1.06 In the last few decades, more so, during the second half of 1940's, 1950's, 1960's and also in the first half of the 1970's the proportion of the aged population to the total population has been incessantly going upwards along with the fast rise in the total population itself. In earlier decades, few people did live long and their size also was negligible as a proportion of the total population; <sup>as such only</sup> the merciless high infantile mortality, low expectation of life and the problems primarily of children and young persons largely engaged the attention of policy makers, scientists, etc. and that of the 'aged'. Especially, in the industrialized countries during the first half of the present century, the number of the population and their survival for a longer life was a phenomenon arising out of increases in riches; but still the number of the aged was not very large because of resultant small size of the aged mere seniority in the family invited veneration and respect for them from the family and from the members of the community and <sup>the</sup> aged were the altar of care, and respect. Increasingly economic and social complex changes, in the wake



of industrialization, urbanisation, human capital formation and technological innovations, advances in medical and biological services—more and more persons, however, were attuned to enjoy longevity and this slowly and steadily became a worldwide phenomenon and it is likely to accelerate unabated.

1.07 Since 1950's the demographic studies have been focussing on the population of the middle and later years and the scope of studies and investigations has attracted the attention of other disciplines also. Of late, cross-national researches have been mounted because of universality of human aging for delineating the dimensions and characteristics of the latter phases of life span. This has developed new disciplines, such as, 'gerontology', 'geriatrics', 'senescence' and 'societal and industrial gerontology'.

1.08 The above perceptions of the insidious and progressive changes in the human organism and in the adaptability of the individuals to the environmental changes, the rate of growth of the people of '60 or 65 years and over' will resultantly be not marginal but will be conspicuously faster than that of the world's or country's <sup>rates of growth in</sup> total population and also more than that of any other age deciles or quintiles or any wider age group. For example, according to the population projections prepared by the UN in their document (Sales No.72.XIII.4 Annex-I Tables A.2.1, <sup>and</sup> 4.1) for the developed and developing countries, the pre-school population (0-4 years) will grow, during 1970-1980, in the developed countries, by 17 per cent; and in developing countries, by 21.3 per cent; school age population (5-14) by 1.5 per cent and 28.5 per cent; in the working age group (15-64) by 10.9 per cent and 28.7 per cent respectively; and in old-age group (65 years and over) by 23.7 per cent and 38.2 per cent.<sup>2/</sup> The aged group

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2/ "...age structure is a significant factor in economic, political, cultural and social systems. Owing to modernization and higher living standards, norms, mores and attitudes change and consequently the organism, the personality and the role of individuals within society change during their life time. (U.N. The Aging - Trends and Policies, 1975, page 7, UN Sales No.E.75.IV3)

which will be increasing most would require most of the health and social services. Also, it is envisaged that life expectancy at birth of the developed countries on an average will grow to '73 years, from 70 years' and that of the developing countries 'from 50 years, to 65.3 years' at the end of the 20th century - that is, in a period of next 25 years.<sup>3/</sup>

"...Such changes in the age composition of the population have important implications for governmental policies and programmes for older people".

1.09 Wide range of ages are in vogue to regard man as 'aged'; some display old age at 40-45 years of age while others appear young even at 70-75 years of age. Many people live in excellent physical, intellectual and mental conditions without any emotional deterioration. Statistically each country uses a different 'divide' to determine retirement age - based on various measures of health, life expectations, social and economic conditions and the employment market situations. The age group, from which official or recognised 'retirement' commences, ranges in the age range of 50-65. Aging<sup>4/</sup> is a phenomenon, in which ecological organism changes slowly and sheds off slowly the resistance to mortality though old age is not the cause of death; however, on an average visit of death depends on the average 'expectation of life at birth' as also 'expectations of life at different specific ages'. It is speculative to establish any correlation between biological and social aging. In spite of it, an attempt is made in  
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3/ See Table 1.01.

4/ The loss of cells over the life span within the organism, particularly the loss of neuron cells (the basic cell of nervous system), it is believed, has a direct relationship to human appearance and behaviour associated with growing old....there is a steady decline in the homeostatic mechanism within the organism, making the individual increasingly vulnerable to environmental stresses...aging often causes decreases in some psychological functions such as memory, learning ability and adaptability.

the following paragraphs based on data from a large number of developed and developing countries from the points of (i) the theoretical sociologists; and (2) the social workers and the social welfare administrators and the policy makers. The former are mainly concerned in the process of aging in order to encompass the structure and functioning of human society and culture; but the latter are interested in enunciating and implementation of welfare policies and welfare measures in a pragmatic manner. Nonetheless it is true that both the groups of the disciplinarians have to develop a consensus by acting and reacting on the theoretical and practical points of view. According to L.W. Simmons<sup>5/</sup> "the only reliable criteria for the onset of old age seemed to be the social and cultural one. The simplest and safest rule to follow was to consider a person as "old" whenever he was so regarded and treated by his contemporaries. <sup>Accordingly, the various</sup> stages of life and the ages are to be determined on the basis of physical health, economic condition and occupational character, nature of the community, proximity of relations, etc.

1.10 In Table 1.01, vertical columns are eight indicating eight stages of life expectation age-classes at birth; (i) less than 40 years; (2) 40-50 years; (iii) 50-60 years; (4) 60-65 years; (5) 65-70 years; (6) 70-75 years; (7) 75 years and above; <sup>(hypothetical)</sup> (8) 80 years and over. After 60 years age, the groups' interval ranges are shortened to encompass the aging periods. The horizontal columns are four and they indicate societal institutions - suitable to certain stages of learning and education, employment, zenith and decline in career, and retirement - each associated in the biological stages of (1) Childhood and Adolescence; (2) Youthful and Adulthood period; (3) Middle Age and Maturity period; and (4) Old Age and Retirement. The first is a period for

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<sup>5/</sup> Simmons, L.W., The Role of the Aged In Primitive Society (Oxford University Press, 1945)



Table : 1.01 : Various stages in Life in relation to the 'expectation of life at birth in different Human Societies

Life Expectation in Years - a biological cycle	Less than 40 years <sup>1</sup>	40-50 <sup>2</sup> years	50-60 <sup>3</sup> years	60-65 <sup>4</sup> years	65-70 <sup>5</sup> years	70-75 <sup>6</sup> years	75 years and over (partly hypothetical) <sup>7</sup>	80 years and over (hypothetical)	
Stages in life	1.	2.	3.	4.	5.	6.	7.	8.	9.
I. Child & Adolescence (Learning & education at home and at institutions)		Upto 14	15-16	18 yrs.	20 yrs.	20-22 yrs.	22-24 yrs.	22-25 yrs.	
II. Youthful period & Adulthood (Occupational employment, marital life and parenthood)		15-25	17-30	18-35	20-35	21-40	22-45	22-50	25-50
III. Middle Age and Maturity (Zenith and decline in the logistic curve of life )		25-30	30-35	30-40	30-45	35-40	40-55	45-60	50-65
IV. Old Age and Retirement (Retirement, Widowhood, isolation and empty nest)		30-60	40-60	45-65	50-70	55-80	60-90	65-95	70-100

NOTE : India comes in the 'expectation of life at birth' category between 40-50 years. According to two studies (one for rural and other for urban community) made by Marulasiddiah, H.M. : Old People of Makunti (Karnatak University, Dharwar 1969 & 1971) in Karnataka State found that in the rural area 'aged' status begins in 45-50 years age-group and definitely at the 50th year; but for urban areas it is '55' years. However, the Welfare Organisations regard 'aged' those who are 60 years and above; and old-age pension status commences in the age group 60-70 years, in general, on the basis of 'means test'.

FOOT NOTES

1. At birth the expectation of life in the following countries, 1960's was less than 40 years.

Angola, Afghanistan, Burundi, Cameroun (West), Central African Republic, Chad, Dahomey, Ethiopia, Ghana, Ivory Coast, Madagascar, Malawi, Mali, Namibia, Nigeria, Somalia, Tanzania, Togo, Upper Volta.

2. At birth the expectation of life, in the following countries in 1960's was between 40-50 years.

Botswana, British Honduras, Bolivia, Congo, Columbia, Gambia, Guatemala, India, Indonesia, Kenya, Khmer Republic, Lesotho, Laos, Mauritania, Mozambique, Niger, Nicaragua, New Guinea, Nepal, Papua, Rwanda, Senegal, Sierra Leone, Sudan, Swaziland, Saudi Arabia, Tanzania, Uganda, Yemen, Zambia.

3. At birth the expectation of life in the following countries, in 1960's was between 50-60 years;

Algeria, China, Dominica, Dominican Republic, Egypt, El-Salvador, Ecuador, Iraq, Jordan, Korea (North & South), Liberia, Mauritius, Morocco, Malaysia, Mongolia, Panama, Paraguay, Peru, Pakistan, Philippines, Reunion, St. Lucia, St. Vincent.

4. At birth the expectation of life in the following countries in 1960's was between 60-65 years :

Antigua, Barbados, Brazil, Costa Rica, Canada, Chile, Greenland, Guadeloupe, Guyana, Jamaica, Kuwait, Luxembourg, Martinique, Mexico, Seychelles, Surinam, Sri Lanka, Trinidad, Tobago, Western Samoa.

5. At birth the expectation of life in the following countries in 1960's was between 65-70 years :

Albania, Bermuda, Cuba, Cyprus, Czechoslovakia, Finland, Fiji, Greece, Hongkong, Hungary, Poland, Melltiniqua, Portugal, Rumania, South Africa (only white population), Southern Rhodesia (only white population), Singapore, Spain, Uruguay, USSR, Venezuela, Yugoslavia.

6. At birth the expectation of life in the following countries in 1960's was between 70-75 years :

Antilles, Austria, Australia, Belgium, Bulgaria, Byelorussian SSR, Canada, Denmark, Finland, France, German Democratic Republic, German Federal Republic, Israel, Island, Ireland, Italy, Japan, Malta, Netherlands, Norway, New Zealand, Puerto Rico, Ryukyu, Sweden, Switzerland, U.S., United Kingdom, Ukrainian SSR.

7. At birth the expectation of life in the following countries in 1960's was more than 75 years (females only)  
Canada, Denmark, France, Iceland, Netherlands, Norway, Puerto Rico, Ryukyu Islands, Sweden.

8. Hypothetical assumption.

General Note : In general, in all the countries the 'expectation of life' is higher for females than that of men.

SOURCE: UN Demographic Year Book - Table 27 (pages 600-619), 1972.

learning and education - at home and at institution; the second, is a time-span of 'occupational employment, married life and parenthood'; the third, is a chronological order of 'reaching at the zenith, and commencement of decline or the beginning of the dampening of the 'logistic curve' of life'; and the fourth is Old age and Retirement characterised by widowhood, isolation and Death - the last making the 'home' an empty nest.

1.11 The First horizontal column of "Childhood and Adolescence", typifies eight age levels in relation to the improvements in "expectation of life at birth". For developing countries at the lower range having life expectation at birth below 40 years the 'childhood and adolescence' terminate at 14 years, whereas terminal point is between 15-16 years for countries at a little less lower range of development having 'expectation of life at birth' between 40-50 years; upto 18 years, in societies/countries where expectation of life is 50-60 years; 20 years, where 'expectation of life is at birth 60-65 years; 20-22 years, where 'expectation of life at birth 65-70 years; 22-24 years, where 'expectation of life at birth is 70-75 years; and 22-24 years; and 22-25 years' hypothetically, in areas where the 'expectation of life at birth' are respectively '75 years and over' and '80 years and over'. This assumes realistically that the 'learning and education' stage ends at an early age where the 'expectation of life at birth' is low and it ends also at later age where the 'expectation of life at birth' is high; thus there is high correlation between the 'higher expectation of life at birth' and the 'age-range' terminating the stage of 'childhood and adolescence'.

1.12 In the Second horizontal column of Youthful Period and Adulthood, it is in the age range of 15-25 years that the choice of employment, marriage and parenthood are achieved in countries having 'expectation of life at birth' of 'less than 40 years' - a character of developing countries at the lower range of development; 17-30 years in countries with 'expectation



of life at birth' of 40-50 years; 18-35 years in countries with 'expectation of life at birth' of 50-60 years; 20-35 years in countries having 'expectation of life at birth' of 60-65 years; 21-40 years in countries with 'expectation of life at birth' of 65-70 years; 22-45 years in countries having 'expectation of life at birth' 70-75 years and over; and 25-50 years in countries with 'expectation of life at birth' is '80 years and over'. This incidentally and meaningfully indicates that the 'working life' though starting late is also a prolonged one in direct proportion to the 'expectation of life at birth'; or as the latter increases the former also increases.

1.13 The third horizontal column of "Middle Age and Maturity" stage, characterises a period of reaching the highest possible point of career achievement and the commencement of a period of static-cum-decline phase in career - analogous to the logistic curve of evolutionary growth. For the developing economies/societies, at the lower range of the ladder in the group of developing countries having an 'expectation of life at birth' below 40 years, the third stage of 'Middle Age and Maturity' comes in the age range of 25-30 years; it is between the age range of 30-35 years, in societies having an 'expectation of life at birth' of 40-50 years; 30-40 years, in societies having an 'expectation of life at birth' of 60-65 years; 35-40 years, in societies with an 'expectation of life at birth' of 65-70 years; 40-45 years, in societies having an 'expectation of life at birth' of 70-75 years; 45-60 years, in societies having an 'expectation of life at birth' of 75 years and over; and 50-65 years, in societies having an 'expectation of life at birth' of 80 years and over. The foregoing analysis predicts that in different situations of the age-groups the zenith and decline begin to the 'Middle Aged and Mature People' at a lower age in countries where 'expectation of life at birth' is low and, at a later age, in countries where 'expectation of life at birth' is high.

1.14 The decline which commences in the third stage in about

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a 15 years' time - span gathers momentum, and fourth stage of "Old age and Retirement" (or the afternoon and the evening of life) comes on the scene which characterises fall in income, loss of the spouse, shrink-ing of the family and resultant isolation - and the Death ultimately making the home an empty nest. For the developing societies at the lower rungs of income ladder, with an 'expectation of life at birth' of 'less than 40 years', the 'old age' lingers between 30-60 years of age - though the proportion at the highest age is very negligible indeed. In countries, with 'expectation of life at birth' between 40-50 years, the old-age class is of 40-60 years; in countries of, 50-60 years of 'expectation of life at birth', the old age class is of '45-65 years'; in countries of 60-65 years of 'expectation of life at birth', the old age class is '50-70 years'; in countries of 65-70 years' of 'expectation of life at birth', the old age class is 55-80 years; in countries of 70-75 years of 'expectation of life at birth', the old-age class is of 60-90 years; in countries of 75 years and over' of 'expectation of life at birth', the old age class is on an average of 70-100 years. From the aforesaid, it flows that the 'expectation of life at higher specific ages' is higher with longer age class interval for societies with higher level of 'expectation of life at birth' and the expectation of life at higher specific ages is lower with little shorter age class interval for societies with 'a lower level of expectation of life at birth'.

1.15 Further, it is revealed by the demographic data (Refer to U.N. Year Book) that a high association exists between the 'expectation of life at birth' and the 'proportion of the aged to the total population'; higher the 'expectation of life at birth' higher is the 'expectation of life at retirement'.

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Summary

1. With the steep fall in mortality - particularly infantile mortality rates - both in advanced and developing countries, people have been living longer. The survival rates in different age-groups are improving; more people are living longer than they used to do earlier; elderly population as a proportion of the total population as also as a proportion of working population is incessantly increasing.
2. The combined proportions to the total population of the - (i) younger people in the employment market; and (ii) the elderly who are no more in the employment market, - is rising. These factors raise, a higher degree of responsibility on the active members in the employment market to work more and also with more efficiency to provide wherewithals both for the population younger to them as well as the elderly population through the imposts of direct and indirect taxes - to be partly devolved by the Government on the elderly to enable maintaining of their real income levels and therefore their levels of living.
3. During the 1940's, 1950's, 1960's and also in the first half of the 1970's the proportion of the 'aged' population to the total population has risen at a faster rate; in contrast, the size - in number and proportion - of the 'aged' population, in earlier decades was negligible, the problem of the 'aged' was 'dim' and not so 'visible' in terms of destitution and they were looked with veneration.
4. Of late, cross-national researches on 'aging' have been mounted in different disciplines - while they were earlier confined to the discipline of 'demography'. Now, new disciplines of 'gerontology', 'geriatrics', 'senescence', 'societal' and 'industrial gerontology' have come on the fore.
5. It is estimated, that the rate of growth of the people of '60 or 65 years and over' is not going to be marginal, but is likely to be conspicuously faster than that of the world's or a country's total population and also more than that of any other 'age decile' or 'quintile' or 'any wider age group'; and in case of developing countries it will be much faster - where 'expectation of life at birth' will go up from '50 years' to '65.3 years' by the year 2001 - as compared to the change from 70 years to 73 years in the developed countries.
6. Aging is a phenomenon, in which ecological organism changes slowly and sheds off slowly the resistance to mortality, and therefore, there is a wide range of ages



to regard man 'aged' because some display 'old age' at 40-45 years of age while others appear young even at 70-75 years of age. Official ages of 'retirement', in governmental systems, are also between 50-70 years. In short, it is speculative to establish any correlation between 'biological' and 'social' aging.

7. The 'learning and education' is imparted during the life stage of "childhood and adolescence" and this stage ends at an earlier age, in societies/countries with low expectation of life at birth; and at a later age(s), with higher expectations of life at birth.
8. The 'working life' though starts at a later stage in countries/societies having higher 'expectation of life at birth', it is a prolonged one in direct proportion to the 'expectation of life at birth'; or as the latter (expectation of life) increases the former (working life) also increases.
9. In different situations of the age-groups the zenith and decline begin in the 'middle age' and to mature people' at a lower age in countries where 'expectation of life at birth' is low; and at a later age in countries where 'expectation of life at birth' is high.
10. The 'expectation of life at higher specific ages' is higher with longer age class-interval for societies/countries with higher level of 'expectation of life at birth'; and in the 'expectation of life at higher specific ages' is lower with little shorter class-intervals for societies with a lower level of expectation of life at birth.
11. The researches in the bio-sciences and medicinal sciences are likely to achieve a break-through in raising the ages over 100 years - 200 years.

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CHAPTER - II

II. Old age, Retirement and Pension Accrual

2.01 Old age, accompanied by retirement, connotes less of work. The question of 'right to work' as opposed to the 'right not to work', in old age, have direct repercussions for each worker, his family/household and his society and specially on the income security. Since the withdrawal of the old worker from the job market is to a large degree based on chronological age of retirement, it has major implications on <sup>(1)</sup>manpower employment opportunities for younger persons, and <sup>(b)</sup>the structure of private and public pensions. Cost of pension programmes - when the age for retirement is lower implies higher costs for the programmes and this also raises important policy issues.

2.02 While optimist's disposition would be as above, the aged pessimistic pensioners may feel that there is degeneration in standards, that younger generation is likely to suffer for want of filial devotion, respect for religion, love of wealth and pleasure. The dualism in dispositions surrounds the aged persons and their attitudes towards life, successors society, etc. are a function of personal characteristics and family circumstances. In their interactions the young and the old in a family or a community elevate or depress their mutual relationships according to various social profiles.

2.03 Retirement is a forced condition in which an individual after attaining a certain age, is allowed to remain unemployed or employed for less than full time. His retirement pension eligibility is based on prior years of service rendered to the employer. However, quite many military personnel leave the service early, to begin another full-time job and they draw (i) pension as also (2) full salary in their new job(s); as such these pensioners cannot be called retired people in the strict sense of the term. <sup>Whereas,</sup> Retiring from a non-military (or civil) job creates a common phenomenon of under-employment or unemployment for the retirees.

2.04 The most essential characteristic of retirement from 'civil' jobs is that the society or government allow an individual, by virtue of the past work, to establish 'a right to an income' - though reduced sizeably, without holding a job; this income, in turn, gives the individual an opportunity<sup>to</sup> play the role of a retired person. Playing the role of a retired person requires adequate physical, social and financial resources to allow the individual to maintain his health and independence. Marked symptoms of old age (and therefore of retirement) cumulatively are : (1) frailty and disability; and (2) increased financial and physical dependency.

2.05 Looking at retirement as an event focus-ing the point of separation from the job, a pensioner in good health - when separated from job as per pension rules - feels that his age has made him a victim of discrimination particularly when he may not find another gainful employment. Economic consequences of retirement could then be disastrous on the mental and physical make up of a retiree. His health may <sup>first</sup> deteriorate/while maintaining his heavy household responsibilities - consequent to fortuitous decline in income.

2.06 As a sociological event, retirement to a retiree in the context of the rights, duties and relationship with people all around him may look as<sup>a</sup> transformation in behaviour, life style, form and context of group life. To a pensioner earned right to a continuous income even after cessation of job by virtue of previous employment, is the main concept of pension. But often people hold a pleasant view of holding a job; to them job is the 'central focus' and pension a 'deferred wage'. In a professional career, a job is a source not only of high income but also of status, recognition, autonomy, responsibilities etc. On the other hand, with the cessation of job-oriented life, life style changes.

2.07 The chief deterrent to a good life for a retired man is whether he is able to live and support himself and his dependents in the manner he was accustomed to. Friedman establishes



that living standards, once achieved, become irreversible; and any vulnerability to irreversible style is a sure movement downward in physical and mental health of the pensioner and his dependent family members. Those nearing retirement have, very often, stark economic realities of retirement income. In a few cases, however, the remaining days of life can provide for developing of interests and associations in spheres other than related to retirees work.

2.08 The main difficulty, in India, is the absence of pre-retirement counselling about finance, health, living arrangements, leisure time activities and a host of other associated problems. Instead of treating retirement as a life of rest and relaxation reaping the fruits of life's labour, it very often proves to many as a life of boredom, poverty, ill-health, loss of status and friends and even premature death. That is why people in highly rewarding jobs tend to resist retirement because of the fear of decline in financial facility, of housing inconvenience, reduction in income etc.

2.09 However, for a few people who did not like their job, retirement may be an attractive boon accompanied by financial security; this circumstance may have a significant influence on their attitude towards life. In a few cases, life of leisure to a retiree may enable <sup>him</sup> to concentrate on family affairs or hobbies. Retirement, to women workers, is comparatively easier than to man workers because women often live simultaneously with their role of housewives as well.

2.10 The retired man and his wife are not necessarily the captives of roleless role, with no vital function to perform, particularly, in Indian conditions. The Indian society gives adequate priority to the knowledge and wisdom of the seniors, retired or otherwise, in all family matters. A.R. Chandler observed : "the oriental ideal of filial piety give authority, security, honour and a sense of immortality to the older generation"<sup>1/</sup> It is the eldest either in the family, in the

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<sup>1/</sup> Chandler, A.R. : "The Traditional Chinese Attitude Towards Old Age" (Journal of Gerontology, 1950)

neighbourhood, caste, village - who play a dominant role in advising and guiding the younger, in resolving the conflicts on economic, domestic, religious, social and other matters. It is the father, father-in-law, elder brother etc. who have the decisive say and they are listened to with reverence as a sacred duty. Mannerism, ways of thinking, general skill acquired through experience of an older person is respected and earnestly shared by other members of the family. In many spheres, the older people manage their own affairs without assistance and are not dependent either on the family or the community. Income without a job is a reward of retirement; whereas, dependence is a punishment for retired persons. There is, of course, difference between retirement and aging. It is seen that many retired persons still find pleasure in identifying themselves in terms of the job held or the organization to which they belonged; however, with years of retirement, this association becomes tenuous.

2.11 For some people it is not easy to adjust to retirement. For people with a few alternatives or little money or poor health, or involved in their jobs, deep and lengthy depression and a feeling of emptiness etc. are written on the wall unless perhaps they become hermits in retirement or devote more time to self-sustaining activities or spiritual discourses. It is only a set of realistic choices that can reshape a life's meaningful satisfaction and ward off degradation.

2.12 Savings for use in old age is a time-honoured tradition. The modern device, in a predominantly employees society, is the system of pension or provident fund and gratuity. Pensioners on retirement also get income-earning financial assets in the form of provident fund, matured endowment insurance, gratuity, commuted pension etc. and can enjoy the fruits of their past labour in the form of a self-occupied house or a house with a portion given on rent; <sup>in</sup> addition, owning a house gives a sense of security. But a vast majority of pensioners are left to fend themselves by accepting charities from other family members

when the purchasing power of retirement income is barely adequate for survival; resultantly, the financial assets also slowly get reduced following rise in price levels.

2.13 Retirement, however, as it brings large amounts of disposable income into investment, can be a useful means for keeping 'jobs' and 'manpower' in balance. With the demographic restructuring of the aged population to the total population - the former may demand more sacrifices from the earning and employed younger group of population<sup>2/</sup> unless the conditions of full or over full employment come to rescue.<sup>3/</sup>

Institutional- 2.14 The 'institutionalisation of retirement (and pension  
onalisation accrual)' brings a hitherto non-existing new event along with  
of Pension a new process, a new social role and a newly-phased life-style. In the civilised world, this institutionalisation is about hundred years' old and with it has ensued a radical and universal social security measure. The catalysing factors to the evolvement of the 'institution of retirement' are basically traceable to the dawn of industrialisation and the concomittant process of urbanisation as also the percolation of democratic processes<sup>4/</sup> all of which released opportunities

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- 2/ The limits to which retirement age can be lowered, for maintaining high living standards, with the proportion of older people incessantly increasing, places an added burden of maintenance on a proportionately smaller productive labour force.
- 3/ But today, in highly dynamic societies, a skill becomes outmoded in a few years; and requires readapting to the changing needs. In such adaption the older ones often get the brunt of technological unemployment.
- 4/ "The Panchayat Raj has brought changes in the structure of village administration. Formerly elder persons used to be the members of village council (traditional). But due to adult franchise the younger persons are coming to power... The average age of the member of the (Mukanti) Panchayat in 1952 was 1956, it was 48 in 1957 while it was 44.7 in 1960. The actual age of the Chairman in 1952 was 51, it was 45 in 1957 and it dropped down to 32 in 1960". (H.M. Marulasiddiah : Problems of the Aged and Local Authority - Journal of Karnatak University - Social Sciences Vol.VI, April, 1970)



for generating 'surpluses' in the economies of industrial societies. In the industrial societies, with the rise in the levels of living, augmentation in production per man-hour etc. helped in lengthening the life-spans so much that 'the expectations of life at birth as well as at specific ages' above 50 or 55 years' ages also improved in which developing countries are becoming faster and sharper partners, of late. Educational levels of the younger ones rose as compared to the 'aged' - and this has <sup>been</sup> responsible for erosion in respect for the aged.

2.15 In the early stages of human civilisation, in pre-agricultural era the aged people were few as the life span was shorter; they were respected in spite of their being dependent on the family or village society and on the Nature - in the niggardly circumstance of absence (or scarcity) of surpluses. Aged people could therefore survive though they could not function as productive members. Economic surplus, however, started flowing with onset of agriculture and the concept of property emerged; and out of surpluses those who could build the property became the members of the upper strata of the community and could support themselves and some others in old age. But the tillers and toilers also could fend for themselves in old-age, if not through neck and back breaking work, through subsidiary occupations in the family. Respect for the aged was part of the value system of agricultural societies.

Industriali-  
sation, gene-  
ration of  
'surpluses',  
and rise in  
the propor-  
tion of the  
'aged'

2.16 The situation metamorphosed dynamically with the growth of industrial production which emitted surpluses by multiplying the non-human energy and thereby dwarfing the stock of human energy in the ratio of 99:1 and consequently raising output quantitatively and qualitatively per man-year (or man-month and man-hour). Energised productivity, created the atmosphere for an institutional system of paid-retirement as a social right and duty. Although it is feasible to switch

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the elite older people, in an industrial society, to less exacting supervisory jobs. But such jobs are few and at the same time the old people belonging to working class are substantial in number and normally cannot handle supervisory jobs and they have to be retired. In the process, the aging population <sup>can</sup>/no more function as linkages to younger entrants in the job-market since the latter have more scientific and technological injections of education - both in the private and public sectors. Simultaneously, influx - of the concepts of secularisation, socialisation, rationalisation etc. aggregatively led to the growth in the proportion of older people - making pension system for the retirees, a compelling instrument of welfare both in the public and private sectors of the economy. More of elderly people now, withdraw from the employment market and get retired, following advances in economic development; and their proportion in labour force participation shrinks incessantly - aided by rise in life-expectation at birth as well as at specific ages, as revealed by the long-term demographic and national income series in the U.S.A. (1920-1970). Nevertheless, the proportionate decline in the labour force in the age-group 45-64 in the USA was nominal as compared to the conspicuous drop in the labour participation of the 'age-group 65 years and over'. (Refer to Table 2.01). In the USA, in 1967, 73 per cent of American household - headed by persons of 'age 65 and over' - reported no earnings at all, and 90 per cent were drawing retirement pensions.<sup>5/</sup> The above trend was observed in other industrialized countries - such as, Belgium, France, Germany and Great Britain. But in Japan there has been an exception, where labour force participation of older people continued to be higher, basically due to the inadequacy of pension systems in Japan, coupled with greater employment opportunities in farming and small business.

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<sup>5/</sup> See Bixby, Lenore E. : Income of People Aged 65 and older : Overview from the 1968 survey of the Aged (Social Security Bulletins, April, 1970 : 3-34.)

Table 2.01 : Proportion of Male Labour Force for Age Groups '45-64' and '65 and over' Proportion of urban population, per capita G.N.P. and Electrical Energy, used in the United States (1920-1970)

Year	Proportion of 65 and over in labour force	Proportion of age 45-64 in labour force	Proportion of urban population	Per Capita GNP in current prices	Electricity energy used (by commerce and industry) in billion Kwh.
1.	2.	3.	4.	5.	6.
1920	55.6	90.7	51.2	835	37.7
1930	54.0	91.0	56.2	740	75.0
1940	42.2	89.4	56.5	761	85.0
1950	40.4	88.2	64.0	1876	189.0
1960	32.2	-	69.9	2788	460.0
1970	25.8	-	73.5	4754	885.0

Source : U.S. Bureau of Census : (1) Historical Statistics of the U.S.; and (1960, pp.71, 139 and 5117) (2) Statistical Abstract of U.S. (1971, pp.17, 211, 308 and 501)

Extent of retirees in terms of weeks in the USA

2.17 Extent of retirement observed in the USA at the maximum of 56 per cent, that is, not more than 29 weeks in a year by persons of 'age 62-64' in 1963; for 'age 65-69' 41 weeks; for 'age 70-74' 46 weeks; for 'age 75-79' 47 weeks; for 'age 80-84' 50 weeks; and for 'age 85 and over' 51 weeks. Inverse relation exists between annual income of the above age groups and the extent of weeks worked by them. Thus, almost complete leisure is the rule and work an exception - particularly for retired persons in the 'age 65-85 and over'.<sup>6/</sup> The extent of retirement, in effect, is a function of improved social and economic development as also the economic surpluses generated.

Economic and Social Roles of the Retiree

2.18 Nonetheless, a retiree or a pensioner (as commonly understood) is an individual who is obliged or allowed to be employed part-time or marginally (and in any case less than

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<sup>6/</sup> Palmer, Erdman : Why do people Retire - Journal of Aging and Human Development (1971) -2 : pp.272.



fully employed) and derives a good part of his income as an award for services rendered prior to retirement. But in case of loss of job(s) before attaining a minimum age or having rendered a minimum service - they are classed as 'unemployed' and not as 'retirees'. In essence, retirement<sup>7/</sup> is a phase of occupation. The income (that is, pension) that a retiree earns for 'no work' at present is in fact in lieu of reward earned for the qualified past services rendered by him. Pension, a retiree receives, is a social right and therefore it is not looked as a 'stigma' as it could be in case of unemployment subsidy, doled out by the society or exchequer to the unemployed.

2.19 A retiree plays his social role even in his 90's - though in a limited way at a time when he suffers from physical and mental frailty or malnutrition. There is no 'cut-off' point in age and one can retire any time in case he has built credits in his pension fund - though for persons drawing civil pensions, the retirement commences presently in India at the age of 55-58 years (or after) - when, by and large, the children are grown-ups and are on their own; thus retirement (or leading a pensioner's life) is a process in individual's life cycle - besides an occupational cycle.

Growth of Researches on the 'aged' Retirement and Pensions 2.20 Empirical studies and researches in<sup>the</sup> areas of 'retirement', pensioners, and old age (or aging) is recent - hardly about 25 years ago; the research age is still younger (say, a decade old) in regard to researches at national and international levels. In the advanced countries - such as, the USA, UK, Canada, Australia, Scandinavian countries, the administrative statistics have a good base; yet the flow of data in regard to pensions and pensioners, retirees and retirement, social security beneficiaries are not organised and difficult to

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<sup>7/</sup> A person might draw more than one pension - one for the service rendered in the Army, other from civil service, and yet another for 'years and more' service (nor necessarily a continuous one) in an international organisation- such as, the United Nations and its Specialised Agencies.

procure. These lacuna do not allow the researchers to be on the realistic <sup>bisc</sup> /and they have to take a sample of their choice with many 'ifs' and 'buts'. Nonetheless, painstaking researchers have accomplished some studies during the second half of the 1960's and the first half of the 1970's.<sup>8/</sup>

2.21 To a good many pensioners, pension is a regular source of income - whether a pensioner is a retired government or private employee <sup>also to</sup> and their family members after the demise of the former. <sup>The benefit accrues</sup> /also to political sufferers and to the aged over 70 years in some of the States (in India) and to quite many in the USA and western European countries <sup>and</sup> /Oceanic countries. There are a variety of pension schemes which devolve benefits to the eligible pensioners both for the government pensioners and occupational pensioners.

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- 8/ (a) Atchley, : The Social Forces in Later Life : An Introduction to Gerontology (Belmont, California, Robert, C. Wadsworths) -1972.
- (b) Havighurst, : Adjustment to Retirement : A cross National Robert, J. Study (Humanities Press, New York) -1969.
- (c) Barfield : Early Retirement - The decision and the and Morgen Experience (Institute of Social Research, Ann Arbor, Michigan) -1969.
- (d) Cortell, : Technology, Man and Progress (Charles E. Fred Merroll, colum on Ohio) - 1972.
- (e) Cortrele : A study of a sample of 3533 retired persons and Atchley hailing from blue collar, white-collar and professional occupation - assessing the characteristics prevalent in the retirees - 1969.
- (f) Shriefaid : A study of sample of 1969 workers who Schneider retired from a wide variety of jobs; this study is longitudinal and reveals changes that occur in individual following retirement - 1972.

#### India

- (g) Desai, K.C.: Problems of Retired People in Greater Bombay & Naik, R.D. (Tata Institute of Social Sciences, Series No.27, 1975)
- (h) Soodan, Kir-: Aging in India of the City of Lucknow pal Singh (Minerva Associates Publication Pvt. Ltd. 1975)
- (i) Mahajabeen: The Aged Women in an Urban Community (1971) - (Miss) A Doctoral Thesis - Department of Sociology and Social Work, Lucknow University, Lucknow).

Initiation  
of pensions  
in the U.K.

2.22 In the United Kingdom, the first Act, to be concerned with provision of pensions for those in public offices, was passed in 1810 and later in 1834, the Superannuation Act. These two are the landmarks in pension history as these, for the first time,<sup>9/</sup> established pension system for civil servants. Extraordinarily, the youthful structure of Victorian Society brought about a phenomenal rate of growth in numbers - accompanied by morbidity and mortality - among children and young people. Later on, however, this state of affairs was replaced by growing ability to survive through the working span of life; in consequence, the wastage caused due to early deaths was washed off and expectation of life also improved. The improved balanced age-structure created the 'problem of aging', some of the people labelled this as crippling burden of old age. Beveridge Report(s) recommendations, in 1941, besides social insurances of unemployment, sickness, had also mentioned about 'old age' insurance; in so doing projections were made that the 'population in pensionable ages' in Britain, would grow in next 30 years, by 1979 to 21 per cent of the total population as compared to 12 per cent in 1941 based on the assumption that the rate of human organic decline in the society will be falling. But, according to Government Actuary, the aged 1979-population was put at 17.2 per cent.<sup>10/</sup>

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9/ No doubt in the U.K. earlier there were provisions for the 'incapacitated' and old age superannuations in various forms in some of the Government departments particularly Customs and Excise - where discretionary powers were vested in the departments; and in reality, there were formidable obstacles to the establishment of any general pension scheme. Some civil servants were paid by fees, as well as salaries causing confusion by providing both old age and relevant pensions and quite many public offices were ridden with corrupt and wasteful appointments. The abuses led to establishment of proper superannuation. An example of obstacles in thinking processes is the observation made, in 1857, by the Northcote Trevelyn Report. The Report argued, "it is important that a civil servant should feel himself in a safe, and independent position and not to be worried about the future." So also Ridlay Commission in 1888 emphasized; "Pensions help to retain in the service men who might otherwise be tempted elsewhere" and "the growing practice, too, of railway, banks, and other commercial undertakings, is to establish systems of superannuation."

10/ A brief account of the chronological growth of Pension Policy in the United Kingdom is given in Appendix \_\_\_\_.



First Pensions Act in 1971 in India - 2.23 In case of India, the system of governmental pensions is not as old as in the United Kingdom - but it has followed on the heels of the latter; nonetheless, it is a little over a century old and flows from the Pensions Act of 1871. Though administrative decisions were made from time to time to improve marginally the lot of the retiree pensions. But some mile-stones were raised, primarily following the recommendations of the Pay Commissions appointed by the Government of India since early 1950's - after Independence. Particularly significant improvements were developed relating to: (i) the maximum proportion of the pension in relation to average pay and the number of years' qualifying service rendered; (ii) maximum pension available; (iii) introduction of gratuity and its raised size; (iv) family pension; (v) commuted pension, etc.

2.24 Normally, any study on civil pensions, In India, needs to flow from the administrative-government records and data. But it is rather difficult to obtain organised data; firstly, because the government pensioners on the Register are about 2 million, secondly, they are ruled by different "Rules and Regulations", thirdly, it is difficult even to procure or build a unified list either from the pension sanctioning authorities (that is, the departments/Ministries); fourthly, multiplicity of the offices of the Accountant Generals (namely, the 1. Accountant General, Central Revenues, 2. Accountant General, Commerce, Works & Miscellaneous, 3. Accountant General, Posts and Telegraphs, 4. Financial Commissioner for Railways and 5. The Controller General of Defence Accounts; and fifthly, the information that can be obtained, after a lot of inquiry, is rudimentary. Even to develop a research sample design for canvassing the Interview Schedules/Questionnaires, a series of qualms are to be confronted.

Variety and types of pensions in different countries - 2.25 In principle, old age invalidity, and death-pensions are payable for life in all the civilized communities. In some countries, they are unified into a 'single system', and in some countries, grouped into 'separate system' for special categories and 'separate system' of workers, such as, agricultural workers, railway workers, etc.

public employees, seamen etc. Old age pensions are payable only upon attainment of a specified age - wherein a limited gainful activity is permissible upon retirement.

2.26 Out of 92 countries, for which relevant information is available, 70 countries have pension system - consisting of whole or in part of social insurance. Some countries including Canada, Denmark, Norway and Sweden have universal pension programmes which serve as the basic pension; in addition, social insurance pension provide a supplementary graduated pension; further, formalised supplemental assistance is also given (to needy aged, invalids or survivors - whose pension is inadequate) - in addition to the social insurance.

2.27 Out of some of the countries - including Argentina, Austria, France, Federal Republic of Germany, Ireland, Israel, the Netherlands, the U.K. and the U.S.A. - in seven countries (that is, Canada, Denmark, Finland, Iceland, New Zealand, Norway and Sweden) every permanent resident above a specific age (and without any condition of prior contribution or employment), is a beneficiary of the universal pension programme; in addition, in four countries (namely, Canada, Denmark, Norway and Sweden) of the above seven, social insurance is given, and at the same time in all the seven countries supplemental assistance is paid to the aged. In Australia, Barbados, Guyana, Saudi Arabia, South Africa and Trinidad and Tobago provisions for pensions are in existence, for payment to any resident - subject to 'means test'. Employer liability law operates in Finland and Liberia where private employers are required to pay pensions to their employees; and some countries, namely, Argentina, Brazil, Belgium also include 'self-employed' (including farmers) under pension benefits.

2.29 In the Centrally Planned Economies of Eastern Europe universal pension programmes are fully financed by the Government, and as a rule, covers all categories of workers -with high level of material security and services and many forms of assistance to the aged. In addition, special cash benefits are paid to those who are not entitled to pension but are in need of permanent assistance.

Summary

1. Old age accompanied by retirement connotes loss of work. Retirement is a forced condition that follows after attaining a certain age - which makes eligibility for pension only on the basis of prior services rendered to the employer. Retirement from 'civil' job is accompanied by 'a right to an income' - though reduced sizeably - yet an established one without holding any job or work. In the new situation, marked symptoms are of : (i) frailty and disability; and (ii) increased financial and physical dependency.
2. Looking at retirement as a point of separation from the job, a healthy pensioner, feels that only his age made him a victim of discrimination particularly when he may not find another gainful employment if he needs it badly.
3. A contrast develops in relation to rights, duties, relations, life-style, status, recognition, autonomy - because of stark economic and social realities and the irreversibility of the living standards achieved once (according to Friedman).
4. Compared to men-folk the women can withstand better the post-retirement life, because simultaneously they have their role of housewives as well. But in India, still at present, the aged and seniors are looked with respect, and many retired people still find pleasure in identifying themselves in terms of job held or the organisation to which they belong, though it is no denying that the association continues to become tenuous.
5. Savings for use in old age is a time-honoured tradition; moreover, pensioners on retirement also get income-earning financial assets in the form of (a) Provident funds refund; (b) matured endowment insurance; (c) gratuity; (d) commuted pension, etc. and can enjoy the fruits of their past labour in the form of self-occupied house or a free house with a portion given on 'rent' besides having a satisfaction and security of one's own house. But a vast majority of pensioners are left to fend for themselves by accepting charities from other family members.
6. Institutionalisation of retirement (and pension accrual) brings a new social role and a newly-phased life-style; this institutionalisation is about 100 years' old and with it have ensued radical and universal social security measures.
7. In the early stages of human civilisation, the aged were few as the life-span was shorter and therefore they were



respected in spite of their being dependent on the family or village society and on the Nature, in the niggardly circumstance of absence (or scarcity) of surpluses. Economic surpluses, however, started flowing with the onset of agriculture, concept of 'property' upper-strata could support themselves and some of the 'aged'; but the tillers and toilers had to fend for themselves in old age through neck and back-breaking work and hasten themselves in the arms of Death because of malnutrition.

8. More 'surpluses' were emitted by the multiplication of the non-human energy - which dwarfed the stock of human energy in relation of 99:1 and consequently raising per-man-year output quantitatively and qualitatively; this helped in the creation of atmosphere for institutional system of paid retirement as a social duty and right; slowly but steadily the proportion of old people grew, and the pension-accrual rose both in the public and private sector - and the proportion of the labour force in the age group 45 -64 decreased and almost disappeared in the age-group '65 years and over'.
9. A retiree or a pensioner is one who is often obliged to employ himself part-time to supplement his pension income which is not a payment for 'no work', but is, in fact, in lieu of reward earned for the past qualified past services rendered by him.
10. Pension researches are of recent origin, but lack of organised data oblige researchers to make sample surveys- and the sample-design is strewn with many 'ifs' and 'buts'.
11. Proper pension provision was made in the United Kingdom only in the 19th century - start having been in some way through the Superannuation Acts of 1810 and 1834).
12. In India, Pensions Act of 1871, initiated pension system and after a century, a short amended Act was passed by the Parliament in 1974.

CHAPTER -III

III. Aged Population in India - in Retrospect and in Perspective and Rationale of Fixing the Age of Retirement

Population 3.01 In India, according to 1971 Census, total population in 1971 and its retrospective picture was around 550 million. In mid-1976, the population could have increased to around 630 million.<sup>1/</sup> The rate of increase in total population, of late since 1950's, has been increasing faster because death rate<sup>2/</sup> has been falling perceptibly and also due to an imperceptible decline in birth rate<sup>3/</sup>. A historical panorama is presented in Table -3.01.

Table : 3.01 : Past, Present and the Future of Population in India during the 20th century

Years	Population (in millions)	Population Index	Growth rate*
1.	2.	3.	4.
1901	238.40	100	-
1911	252.09	106	5.75 X
1921	251.32	105	0.31 X periodicity of
1931	278.98	117	11.00 X 10 years
1941	318.66	134	14.22 X
1951	361.09	151	13.31 X
1961	439.24	184	21.51 X
1971	547.37	230	27.66 X
1976	594.44	249	1.75 X
1981	641.37	270	1.5 X periodicity of
1986	706.66	298	1.60 X 5 years at
1991	762.39	320	1.55 X annual rate
1996	820.33	344	1.50 X
2001	881.03	370	1.45 X

\*Annual growth rate from 1971 onwards pertain to quinquennial periods and not the decenniums as is for the period from 1901-1971. ....44....

1/ Projection in the Draft Fifth Plan for 1978 is about 637 million; and for 1976, according to Ashish Bose about 630 million. The actual increase in population could resile back now following the crusades of family planning programmes, educational standards, postponed marriages, etc. Therefore, the projections, worked out in this study, are at a lower pitch-at an annual growth rate of 1.70 per cent, for 1971-76; 1.65 per cent for 1976-81; 1.6 per cent for 1981-86; 1.55 per cent for 1986-91; 1.5 per cent for 1991-96; and 1.45 per cent for 1996-2001, the last quinquennium of the 20th century.

2/ Death rate for the quinquennium 1961-65 was 17.2 per cent and was 14 per cent for 1966-70 - showing a decline by 18 per cent.

3/ The birth rate declined by only 5.8 per cent from 41% in 1961-65 to 38.6% in 1966-70. ....44....

proportions 3.02 According to 1961 census, the proportion of persons  
f the Aged in the age-group "55 years and over" was 7.9 per cent : 7.8 per  
population cent for males and 7.9 per cent for females; however, in the  
ver time rural areas the proportions both for males and females/respec-  
n India and tively. But due to decrease in death hazards, the proportions  
n the 'dev- of the aged population is bound to move upwards. The projec-  
loped'and ted proportions according to the Registrar -General of India  
developing' were 8.1 for the aged population are 8.35 per cent for the year 1976  
ountries per cent but and 9.04 for the year 1981.<sup>4/</sup> Accordingly, the improvements  
in urban areas 6.5% in the 'expectation of life at birth' as projected by the  
& 7%for Registrar-General are also going to increase to 57.3 years  
males and and 56.0 years for males and females respectively during 1971-  
females 75; and to 61.1 years and 59.8 years during 1976-80.

3.03 A 1968- United Nations study<sup>5/</sup> had projected 'life expectancy at birth' for the World's 'Developed countries' and 'Less Developed countries' upto the year 2000. These projections stress that the rise in 'life expectancy' will be more conspicuous for less developed areas than that in the 'Developed Countries' over a 35 year period (1965-2000) - based on the empirical inferential hypothesis that 'in early stages there is a higher life expectancy ratio for males than females but in later years the ratio improves for women over men; and with improvement in life expectancy, life span of females is better than that of males'. The relevant data are portrayed in Table 3.02.

3.04 Arising from the data, it is clear that the life-  
expectancy at birth in the 'less developed regions' will grow faster than the world as a whole and glaringly more as compared to the 'more developed region' - which also means that the 'aged' will be growing more rapidly in the 'less developed regions' than that in the 'more developed regions'. This phenomenon is apparent from the growths in population which

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4/ See Registrar-General of India : Revised Population Projections (page,8) -1972.

5/ UN : World Population Prospects as Assessed in 1968 (Sales No.72, XIII, Annex-I, Table A.2.1)



Table : 3.02 : Estimated Projections of 'Life Expectancies at birth in the less developed and developed regions, as also in the world (1965-2000)

Periods Group of countries	1965- 1970	1970- 1975	1980- 1985	1990- 1995	1995- 2000	Percentage increases (1965-2000)
	1.	2.	3.	4.	5.	6.
1. Less developed Regions	49.6	52.4	58.0	63.0	65.3	<u>31.4</u>
2. More developed Regions	70.4	71.2	72.2	72.9	73.2	<u>4.0</u>
3. World	53.1	55.5	60.4	64.6	66.5	<u>25.3</u>

Source : UN : Idid (sales No.72.XIII)

is likely to increase in the 'less developed region' by 98 per cent during 1970-2000 vis-a-vis only about 33 per cent in case of 'more developed regions'. Conclusively, it is also estimated that the population '60 years and over' will grow by 158 per cent in 'less developed regions' as against only 50 per cent in 'more developed regions'.

3.05 India, having been included in the UN system as one of the 25 countries<sup>6/</sup> in the category of low-income countries, it is obvious that the proportion of the 'aged', from a lower base, will increase in relation to its total population say at the minimum by 30-35 per cent during the next 25 years. Accordingly, the proportion of the aged '55 years and over' will grow to about 12 per cent from the 8 per cent prevailing during early 1970's. If India's population, in 2001, will be 881 millions (or say 900 millions), the number of the 'aged' "55 years and over" will be ordinally 108 millions - showing a further increase of 55 millions - over 53 millions of persons in 1976 - registering an increase of 104 per cent.<sup>7/</sup>

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6/ The 25 countries include India, Bangla Desh, Indonesia, Nepal and Burma.

7/ A departure is made (in Chapter XI<sup>I</sup>) from the above projections of the aged (55 years and over) which shows a higher proportion of the 'aged' to 18 per cent and the number of aged at 158 millions in 2001 - See also Para 3.19.

3.06 If the pension rules - both in the public and the private sectors are made applicable to all persons "55 years and over", 53 millions will be entitled to old age pensions now, and 108 millions at the end of the present century. However, under the existing rules only the government employees (in the central government, state and local governments and semi-autonomous government services) are entitled to retire with a Pension and Death-cum-Retirement Gratuity (DCRG) or the benefits that usually accrue to those who opted or earmarked to be the recipients of Contributory Provident Fund. In addition, there are quite many organised private sector employers (such as, banks, industries, corporations, associations etc.) where benefits of contributory provident fund are provided to their employees; and a few of the employers also provide pension, gratuity and provident fund facilities.

3.07 Out of the total population of 550 millions, in India in 1971, the working population was about 170 millions.<sup>8/</sup> Effectively, in 1976 the respective figures, as projected here, will be 594 millions and 183 millions; and about 881 millions and 297 millions in the year 2000 or 2001. An illustrative table, with 5-year phases, broadly offers the dynamics of the demographic changes.

Table : 3.03 : Projection of the population and Working Population in India (1971-2001)

Year	(in millions)	
	population	Working population
1.	2.	3.
1971	550	170 (31.0)
1976	594	183 (31.0)
1981	641	202 (31.5)
1986	707	206 (32.0)
1991	762	247 (32.5)
1996	823	274 (33.0)
2001	881	297 (33.3)

....47..

<sup>8/</sup> See 1971 Census Report,

Central and State Government Employees and other public sector employees

3.08 In India, the size of regular central government employees at the end of March 1973 was 2.86 millions and it is estimated to rise to 3.10 millions at the end of 1976 - based on an approximate average annual growth rate of 3 per cent (during 1961-1973 when the size of regular employees rose from 2.09 millions in 1961 to 2.86 millions in 1973). The size of the total government and semi-government employment in 1976, is 11.2 millions<sup>9/</sup>; 3.10 millions, Central employees; 4.28 millions, employees of State Governments; 2.17 millions quasi-government employees; and 1.96 millions, local government employees. Thus public sector employees, in 1975-76, formed about 2 per cent of the total population and approximately 6.2 per cent of the working population in the country.<sup>10/</sup>

Age of Retirement in India and the underlying rationale

3.09 In India, the mandatory age of retirement for most of the civil servants ranges from 55-65 years : 55 years in quite many States, and 55-58<sup>11/</sup> in the Central Government's civil service establishments, 60 years for the judges of the High Courts, 65 years for the Supreme Court Judges and Members of the Union Public Service Commission, etc. Premature retirement can be made by the government on attaining the age of 55 years ...48....

<sup>9/</sup> Of the 3.1 millions regular central employees, about 50% are in the Ministry of Railways; 17 per cent in the Ministry of Defence; 14 per cent in the Ministry of Communications; and 5 per cent in the Ministry of Home Affairs. These four Ministries hold nearly 86 per cent of the total regular central employees (Directorate General of Employment and Training, Ministry of Labour : Census of Central Government Employees - As on 31st March, 1973), Table 5.01 .

<sup>10/</sup> See Annex 5.01 for the statewise employees' sizes.

<sup>11/</sup> However, since 1.12.1962, 58 years is the decisive age of retirement for majority of civil servants. The main considerations which weighed with the Government in reaching this decision were : (i) the shortage of experienced and trained manpower which could be met partly by raising the age of retirement; (ii) the insignificant effect this would have on employment opportunities (viz. of less than 1% of the total volume<sup>9/</sup> of additional employment needed for educated unemployed during the Third Plan period) and (iii) the improved expectation of life and the state of physical fitness of Government employees" (Third Pay Commission's Report, 1973, Chapter 60 -Para 2)



or on completing 30 years' qualifying service, in the latter case, the employee also has the option of seeking retirement. For scientific and technical employees, the rules provide that in rare and exceptional circumstances extensions of service may be granted upto the age of 62 years. But the Third Pay Commission recommended to introduce a uniform age of retirement with the proviso that the retirement should commence from the last day of the month in which the employee attains the age of superannuation.

3.10 Following the acceptance of the age of retirement as 58 years by the Central Government, in 1962, some of the State Governments also raised the age of retirement from 55 years to 58 years. Later on, a few of the states retraced the steps and reduced the age of retirement to 55 years. In the States of Andhra Pradesh, Assam, Bihar, Jammu & Kashmir, Kerala, Mysore, Nagaland, Orissa, Rajasthan, Tamil Nadu the age of retirement is 55 years; whereas, in Arunachal Pradesh, Goa, Daman and Diu, Gujarat, Haryana, Himachal Pradesh, Madhya Pradesh, Maharashtra, Manipur, Mizoram, Pondicherry, Punjab, Tripura, Uttar Pradesh, West Bengal it is 58 years. The public sector undertakings which have sizeable employees, ordinarily follow the Central Government Rules for superannuation.

3.11 Some of the service categories have departures from the prescribed age of 58 years for central civil employees. These are :

- (1) The Ministerial employees who were holding substantive appointments on March 31, 1938 are retained in the service till the age of 60 years;
- (2) The Class IV employees and workmen are retained in service till the age of 60 years. The exceptions to this are : (a) those Class IV staff (with a few exceptions) in the Railways are allowed to continue upto the age of 60 years; (i) who were recruited prior to December 1, 1962; and (ii) for whom the age of superannuation was 60 years; (b) Class IV staff of the Railways (i) who had no prescribed age limit; and (ii) who were allowed to serve as long as they are physically fit; and (c) Class IV employees of the Secretariat Security Force who entered service on or after September 15, 1969 - retire at the age of 58 years.

- (3) Police Personnel ( in the Border Security Force and that of the Central Reserve Police) are governed by the provisions of the relevant Acts - according to which their age of retirement is 55 years.

3.12 During the enquiry by the Third Pay Commission in early 1970's some of the service associations of Central Government employees pleaded for raising the age of superannuation to 60 years because of (i) increased longevity; and (ii) the fact that with late marriage, a large number of government employees are not free from family responsibilities when they retire. An opposite view, for reducing retirement age to 55 years was argued by some of the service associations/unions with a view (i) to improve promotion prospects; and (ii) increased employment opportunities to the educated unemployed in the country. However, the Third Pay Commission stuck to the status quo of the superannuation age of 58 years for which they provided relevant arguments: (i) general economic and social development; (ii) further increase in the expectancy of life from 42.0 years for men and 40.55 years for women, in 1951, to 47.1 from 45.6 years, in 1961; (iii) improvement in the expectation of life at the specific ages of 50, 55 and 60; and (iv) the raise in the survival rate of all the groups of pensioners - whether Class IV, Class III or Gazetted Officers - from 74.91 per cent in 1940-50 to 76.67 per cent in 1960-70 for Class IV; from 78.43 per cent to 81.89 per cent for Class III; and from 81.24 per cent to 88.57 per cent for Gazetted Officers.

3.13 Finally, the main arguments adduced by the Commission for reducing existing age of superannuation are : its effects on the employment situation and in improving the promotion avenues of the existing employees. In so far as the latter is concerned, the advantage of any improvement in promotion prospects by reducing the retirement age can only be a limited one as while it might expedite promotions of the existing employees, they will retire earlier from the Government service". (Para 9, Chapter 60). They further observed that "the retirements from Government services were 5900 in 1964-65; 5800 in 1965-66;

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12,900 in 1966-67; 13,000 in 1967-68" - the lower figures for the earlier years were due to raising of the age of retirement in 1962. Based on the Ministry of Finance estimated retirements of 32,000 during 1972-73, of which 50 per cent will have been from the Class IV posts, the Commission averred that due to lowering of the retirement to 55 years, retirements will take place of 96,000 persons in place of 32,000 in 1972-73. On the other hand,<sup>due to</sup> rise in family responsibilities - in the job market the retirees will seek reemployment whether in public sector undertakings or in commercial establishments - <sup>and it</sup> will leave only smaller number of jobs for the younger generations and not improve the overall employment position for the educated unemployed.

3.14 As regards the enhancement of the age of retirement, on the basis of Ministry of Finance estimates, the retirements during the next 10 years (from 1972-73) were expected to show progressive increases at the rate of 20% every year - going upto about 1,00,000 employees in 1980-81,<sup>hence</sup> the Commission concluded, "any enhancement of the age of superannuation at this stage would reduce during the period by which this is done, the employment opportunities for the very large number of technical, engineering and professional students passing out from the Universities, technical institutes and various industrial training institutes" (Para 10, ibid). The Commission concluded "we, therefore, come to the conclusion that having regard to all the considerations the age of superannuation should continue to be 58 years for the Central Government Employees.<sup>12/</sup>

3.15 As against this background if a wider canvass is studied, one finds that the 'age of retirement' is 60 years or higher in a number of countries. Both for men and women it is 70 years,

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<sup>12/</sup> For scientific and technical personnel, the rules provide that in rare and exceptional circumstances extensions of service may be granted upto 62 years - though generally the age of superannuation is 58 years. The Commission reiterated that for the Police personnel, the age of superannuation as fixed in the relevant Acts should continue to be retained.



in Brazil, Ireland, Norway and Peru; 67 years, in Denmark, Iceland and Sweden; 65 years, in Canada, Chile, Finland, France, Luxembourg, Netherlands, Portugal, Spain and the U.S.A.; 65 years, for men-folk only in Australia, Austria, Belgium, German Democratic Republic, German Federal Republic, Israel, Poland, Switzerland and the U.K.; 64 years, in Lebanon; 63 years, in the Philippines; 63 years for women folk in Switzerland; 62 years for men folk in Greece; 60 years for women folk in Australia, Austria, Belgium, German Democratic Republic; Israel, German Federal Republic, Poland and the U.K.; 57 years, for women folk in Greece; 60 years for men folk in Czechoslovakia, Hungary, Italy, Japan, U.S.S.R. and Yugoslavia, 55 years, in Ceylon and Malaya, and 55 years for women folk in Czechoslovakia, Hungary, Italy, Japan, USSR and Yugoslavia.<sup>13/</sup>

3.16 Largely, the age of retirement is based on the higher expectation of life at birth, which is generally higher in the developed countries at '70 years and more', and the age of retirement is lower due to lower expectation of life at birth in the developing countries at around '50-55 years or less'. However, in the developed countries, the expectation of life of women is higher. For example, for men and women it is 67.92 years and 74.18 years in Australia; 68.75 years and 75.18 years in Canada; 57 years and 64 years, in Greenland; 66.57 years and 73.72 years in Austria; 67.73 years and 73.51 years, in Belgium; 68.81 years and 73.61 years, in Czechoslovakia; 70.8 years and 75.7 years, in Denmark; 65.4 years and 72.6 years in Finland; 68.6 years and 76.1 years, in France; 68.58 years and 72.85 years, in Ireland; 71 years and 76.7 years, in the Netherlands; 68.44 years and 73.75 years, in New Zealand; 71 years and 75.97 years, in Norway; 71.69 years and 76.50 years, in Sweden; 69.71 years and 75.03 years, in Switzerland, 68.8 years and 75.1 years, in the U.K.; 65 years and 74 years, in the USSR; 64.79 years and 69.20 years, in Yugoslavia. Nevertheless, it is fallacious that in a large number of developed ...52...

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<sup>13/</sup> United Nations : (i) The Aging : Trends and Policies -  
(Sales No.E.75.IV 3) -1975; The Third Pay Commission -  
India (1972-73)

Table : 3.04 : Retirement Ages for Men and Women in  
29 Developed countries

Ages of Retirement		Names of Countries	No. of countries
1.		2.	3.
(1) 70 years	Men & Women	Ireland, Norway	2
(2) 67 years	Men & Women	Denmark, Iceland, Sweden	3
(3a) 65 years	Men & Women	Canada, France <sup>1/</sup> , Finland, <sup>2/</sup> Luxemburg, Netherlands, <sup>2/</sup> Portugal, Spain, United States of America. <sup>3/</sup>	8
(3b) 65 years	<u>Men only</u>	Australia <sup>4/</sup> , Austria, Belgium, Germany (DR), Germany (FR), Israel, Poland, <sup>5/</sup> Switzerland, United Kingdom	9
	<u>Women only</u> (63 years)	Switzerland	
	<u>Women only</u> (60 years)	Except Switzerland, out of eight countries listed against (3b).	
(4) 62 years	Men (62) Women (57)	Greece	1
(5) 60 years	Men (60)	Czechoslovakia, Hungary <sup>6/</sup> Italy	
	Women (55)	Japan, USSR, Yugoslavia	6
Total :			<u>29</u>

Foot Notes :

- 1/ In France, personnel retire between 55 and 60 years;
- 2/ In the Netherlands, the age of 60 may be the time for retirement for those engaged in heavy work;
- 3/ In the USA, although 65 is defined as the age for full social security benefits, the majority of workers are now electing to retire at 62 with reduced benefits;
- 4/ In Australia, if a man is unemployed for more than one year, he may retire at the age of 60;
- 5/ In Poland, miners and teachers may retire at age 60; and
- 6/ In Hungary, men engaged in heavy work may retire at age 55.

countries, the age of retirement for women are lower in spite of their higher expectation of life at birth - and also at specific ages in general and high survival rates at ages beyond 50 years. In respect of the developing countries also this characteristic prevails except in a few countries - including India, Pakistan, Sri Lanka.

3.17 India is wedded to non-discrimination between race, religion and sex; hence, it would be undemocratic and unconstitutional to prescribe different retirement ages for men and women. Nor, it has ever been done in the past. The different prescriptions for women vis-a-vis men as regards the age of retirement is contrary to their higher expectation of life at birth and at specific ages in quite many developed countries, is discriminating and lacks demographic and democratic logic. In India, the demographic structure is changing fast; expectation of life at birth and at specific ages has registered advances<sup>14/</sup> over the last two-and-a-half decades. As a result, the raise in the retirement age will be logical, periodically - say, at the mid-census year and the other at the census terminal year (or in brief, quinquennially).

3.19 A perspective of the demographic profile has been developed under Chapter XII (Table 12.01) from which it can be seen that the aged population '55 years and over' will grow by the year 2001 to 158 million from 43.4 million in 1971 (that is, to 3.64 times) - whereas, the total population will grow to 1.6 times; the population between '19 years and less' to 1.06 times only; and population between '20-54 years' to 1.84 times. In the process, the aged population will rise to 18 per cent (or 2.25 times) of the total population in 2001

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<sup>14/</sup> Expectation of life at birth according to 1951 census was 32.45 years for men and 31.66 years for women; in 1961, 41.89 years for men and 40.55 years for women; and in 1977 47.1 years for men and 45.60 years for women. What was expectation of life at birth in 1881 almost became the expectation of life at age 40 that is around 24-25 years; /i.e., around and what was expectation of life in 1941 almost became the 37.32 years expectation of life at age 40 in 1971. For details see Annex 14.01- Expectation of Life in India (1981-1971).



from 8 per cent in 1971 and its proportion to population in the <sup>/age-group</sup> '20-54 years' will grow to 37.35 per cent from 18 per cent in 1971. This will boost the importance of the aged population - and may even raise the age of retirement in order to balance the change in proportion of the population in the age group '20-54 years'. This can make a way for employing or re-employing aged people for a longer number of years beyond 55 or 58 or 60 years. In 2001, the estimated life expectation at birth in India, will increase to "65 years" and the expectation of life at 'age 55 years' to about 18 years.<sup>15/</sup> The number of live central civil regular retirees would also perhaps move upwards from 0.35 million, in 1975, at 12-13 per cent compound annual rate.

3.20 Gerontologists have argued that the older unemployed (or the retirees) can compete successfully with younger job seekers, since the former have more experience and skill than the younger workers for the first time coming in the job. Nonetheless, it is socially and psychologically, desirable to push up retirement age to '65 years (or even more than that)' in the wake of rising survival rates of the aged people; simultaneously there is also a pressure to lower the age(s) of retirement since employment opportunities are not coming up as fast as the new additions of younger people in the labour ...55.

<sup>15/</sup> There is, on an average, some tapering off in the productive efficiency with age, but the diminution is negligible and is more than counterbalanced by other positive elements, such as, maturity, depth of experience. Old age, need not have a chronological label, since it does not represent functional or physiological age; for some physical frailty or senescence come prematured, while for others faculties do not blunt with age. Researches about employment of 'aged' have been carried out during war-time and they unflinchingly establish that there was no difference felt in the capacity of older workers by 50 per cent employers and 33.4 per cent of employers viewed that the older workers could adjust to changed conditions contribute new ideas; it were only 16.6 per cent of the employers felt that the older workers found it difficult to adjust (Refer to : Labour Gazette, XLVII, No.9 of September 1947; "The Problem of the Older Worker" - A Survey sponsored by the U.S. National Association of Manufacturers). "Like persons in all other age-groups, the older worker has his own weaknesses and his own special qualifications, his experience and stability are required as much as the fresh approach and enthusiasm of youth...he needs the opportunity to work, and the assurance of a useful place in society, as much as he needs the promise of security that is offered through retirement pension schemes" (Joseph W. Willard : Selected Papers of the 75th Anniversary Meeting of the National Conference of Social Work, 1948, pp.395-402 : Columbia University Press, New York, 1949)

market as also the old ones attempting to resist their elimination from the labour market. The retirement and pension policies cannot be perpetual and universal both in developed and developing countries, and need to be modified with the dynamics of social and economic conditions and the retirement 'age' has to be changing and will change in future also under various pressures. However, it is true that the retirement phenomenon is more in urban areas and industrialised professions than in rural areas and the agricultural employment. Notwithstanding the above, the age of retirement ranges from 55-70 years in 29 developed countries in public services.<sup>15/</sup> It can be observed that in India also, in public sector organisation retirement is at "55 years or earlier for harder type of work (such as, in the Police, Border Security Force, Army) and in quite some cases the retirement is at "60 years and 65 years" - though it is true that mode 'age' of retirement ranges between 55-58 years.

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#### Summary

1. According to 1971 Census, total population of India was about 550 millions; in mid-1976, 630 millions; and because of death rate declining faster and birth rate also imperceptibly, the population growth will after few quinquennia resile back and the growth rate will come down to about 1.45 per cent per annum in the last quinquennim. It is projected that India's population will increase to 881 millions in 2001. Aged population, in the age-group '55 years and over', being around 53 millions (8 per cent) of the total population will further grow absolutely and proportionately to about 158 millions (18 per cent) in 2001 - though U.N. projections estimate the increase to '108' millions, accompanied by the rise in expectations of life at birth and at specific ages.

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<sup>15/</sup> In the USA there has been a steady decline of the 'aged' persons in the labour force; and nearly 50 per cent of the men workers retired earlier than 65 years' age - getting reduced old-age benefits; in Canada, retirement is even at earlier age of 55 years for quite many by claiming reduced benefits under pension programmes.

2. The working population of India at 170 millions (or 31 per cent) of the total population in 1971, is expected to grow to 297 (33.3 per cent) in the year 2001. The working population, entitled to governmental (Centre, State & Local) 'pensions' after retirement in India is 11.2 millions, forming about 2 per cent of the total population and 6.2 per cent of the working population of the country. Nearly 86 per cent of the 3.1 millions central government employees are in four Ministries : 50 per cent in Railways; 17 per cent in Defence; 14 per cent in Communications; and 5 per cent in Home Affairs.
3. The mandatory age of retirement for most of the civil servants in the Centre and the States ranges between 55-58 years though in some cases it goes to 60, 62 and 65 years - particularly for scientists, technologists, Members of the Public Service Commissions and the Judges of the High Courts and Supreme Courts.
4. Age of retirement is higher in quite many countries. At least out of 29 countries (of which data are available) in 2 countries, the age of retirement is 70 years (for men and women); 67 years, in 3 countries (for men and women); 65 years in 8 countries (for men and women); 65 years for men only in 9 countries; 63 years (for women) in 1 country; 60 years (for women) in 8 countries; 62 years (for men) and 57 years (for women) in 1 country; and 60 years (for men) and 55 years (for women), in 6 countries.

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CHAPTER - IV

IV. Rules and Procedures of Pensions for the Central Government Civil Employees

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I. Pension Rules

Applicability of Pension to specified services 4.01 The Central Civil Services (Pension) Rules 1972 - which were enforced with effect from June 1, 1972 - are applicable to all central government employees substantively appointed to civil services and posts<sup>1/</sup> (including the civil employees in the Defence Services<sup>2/</sup>). They all are borne on pensionable establishments. These Rules, however, are not applicable to : (i) Railway servants - who are still enjoying 'contributory provident fund facilities'; (ii) persons in casual and daily-rated employment and those paid from contingencies; (iii) persons entitled to the benefit of contributory provident fund; (iv) members of the All India Services; (v) persons recruited in foreign countries locally - for service in diplomatic, consular or other Government of India establishments; (vi) persons employed on contract except when the contract provides otherwise; and (vii) persons whose terms and conditions of service are regulated by or under the provisions of the Constitution or any other law for the time being in force.

Qualifying Service 4.02 For pension purposes, a government servant has to be eligible to claim pension only after rendering a 'qualifying service'. 'Qualifying service' of a government servant is counted ..58..

1/ A government servant who is transferred permanently to a service or post to which these rules apply - from the post to which these rules do not apply - has, however, the option to elect to be governed by the pension rules to which he was subject immediately before the date of his transfer or he can opt for the above rules; but this option needs to be exercised in writing and be communicated to the authority making such order of transfer; and the option once exercised is final.

2/ Defence Services mean : Services under the Government of India in the Ministry of Defence and in the Defence Accounts Department under the control of the Ministry of Finance (Department of Expenditure, Defence Division), paid out of the Defence Services estimates - and not subject to the Air Force Act, 1950 (45 of 1950) or the Army Act, 1950 (46 of 1950) or the Navy Act, 1957 (62 of 1957).

from the date he takes charge of the post to which he is first appointed either substantively or in an officiating or temporary capacity -provided that the officiating or temporary service is followed without interruption<sup>3/</sup> by substantive appointment in the same or another service<sup>4/</sup> or post.

4.03 Under certain special conditions or situations, the services rendered, qualify for pension eligibility or otherwise. A person who is initially employed by the Government on a contract for a specified period and is subsequently appointed to the same or another post in a substantive capacity in a pensionable establishment without interruption of duty can either retain the Government Contributory Provident Fund with interest thereon - including any other compensation for that service; or agree to refund to the Government the 'monetary benefits - referred above' or to forego the same if they have not been paid to him, and thereafter count in lieu thereof the service for which the aforesaid monetary benefits may have been payable. Such option is required to be communicated to the Head of the Office under intimation to the Audit Officer within a period of three months from the date of issue of the order

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- 3/ The interruptions can be caused by (a) reasons beyond the control of the Government servant; (b) the total service interruption excluding one or more- interruptions, if any - is of less than 5 years; and interruption - including two or more interruptions, if any - does not exceed one year, can be condoned by the appointing authority; but the condonation period does not count as 'qualifying service' under Rule -28.
- 4/ (i) Any one's service is not to be considered "qualifying service" unless his duties and pay are regulated by the Government under conditions determined by the Government; (ii) A government servant who has worked under State Government and who have been transferred to a service or post where these rules apply, the continuous service under the State Government in officiating or temporary capacity, as the case may be, is to be accounted as qualifying service; (ii) The service rendered on 'probation' qualifies only if that is followed by 'confirmation' on the same or another post; and (iv) An 'apprentice' service does not qualify, except in case of Subordinate Accounts service in the Indian Audit and Accounts Department or the Defence Accounts Department.

of permanent transfer to pensionable service; or if he is on leave - whichever is later. In case, the person does not do it, the Government servant shall be deemed to have opted for the retention of the monetary benefit payable or paid to him on account of service rendered on contract.

4.04 In case of a Government servant who retires on compensation pension or invalid pension or compensatory gratuity or invalid gratuity, is re-employed and appointed substantively to a service/ post, he can opt under Rule 18 either (1) to draw the pension and retain the gratuity sanctioned for his earlier service, then his previous service does not count as qualifying service or (2) cease to draw the pension or refund the gratuity (including DCRG, if any) - then his former service can be counted as 'qualifying service' - but it is not required of him to refund immediately the pension drawn. Any of the above two options need to be exercised by the concerned servant, within 3 months of the date of issue of the order of reemployment on a substantive appointment. However, if the Government servant is on leave on that day, option can be exercised within 3 months of his return from leave - whichever is later; failing to opt for any of the two options, is deemed that the Government servant has opted for the first option.<sup>5/</sup>

Counting of  
Service in  
Military Est-  
ablishment  
or War  
Service

4.05 A Government servant prior to his appointment in a Civil Service (or a post against 'war-reserved'/other permanent vacancy which developed in pre-1948), having rendered satisfactory paid wholetime job enlisted or commissioned for 'war-  
...60...

5/ In case, the Government servant opts for the first alternative the admissible pension or gratuity is subject to a limitation that - service gratuity or the capital value of the pension and DCRG cannot exceed the difference between the value of the pension and DCRG (if any) that would be admissible at the time of final retirement if the two periods of service are combined and the value of retirement benefits and the value of retirement benefits already granted to him for the previous service. In case of second option, refunding of the gratuity received for earlier service is necessary in monthly instalments on exceeding 36 instalments - the first instalment beginning from the next month to the one in which option was exercised and the right to count previous services only when the whole amount is refunded.



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service' in the Armed Forces of India during (1939-46) service did not earn pension under military rules, is allowed to count such service (including all kinds of leave<sup>6/</sup>) on full pay, sick leave, extraordinary leave under Rule 20 as a qualifying service - provided (1) he did not render war service below the age of 18 years; (2) made no contribution towards/nor claimed the share of pension earned; (3) did not refund bonus or gratuity in respect of 'war services demand', from the government service.

Consequences of Dismissal - suspension - qualifying service 4.06 A government servant when dismissed, removed or compulsorily retired (or even resigns) from service or post forfeits his past service under Rule 24; but when re-instated, these periods do not count for service unless regularised as duty or leave by a specified authority which passed the order of reinstatement under Rule 24; Any interruption in service (including that by resignation) entails forfeiture of past service except when (i) the absence was regularised by authorised leave, and so long as the post of the absentee is not filled substantively; (ii) suspension when immediately turns into reinstatement; (iii) transfer to non-qualifying service when ordered by a competent authority in public interest. Notwithstanding any lapses, the pension sanctioning authority having the powers, may commute (by order) retrospectively the periods of absence as extraordinary leave.

Qualifying Service - Declaration of a Post as 'Surplus' 4.07 When a government servant declared 'surplus'<sup>7/</sup> opts to voluntarily retire within two months of transfer to Central Pool of Surplus Personnel in the Cabinet Secretariat and when ...61...

6/ All types of leave during service for which leave salary is payable is counted as qualifying service with some limitations for extraordinary leave is allowed to count at government discretion - in cases of inability to join or rejoin duty on account of civil commission and for prosecuting higher scientific and technical studies, and also during suspension from service.

7/ Declared 'surplus' as a result of studies carried out by the Department of Administration and the Staff Inspection Unit of the Department of Expenditure, Ministry of Finance.

his name being sent to Director-General of Employment and Training, in case of Class IV, he is entitled to add 5 years to his qualifying service - provided that the government servant already has 15 years of 'qualifying service' to his credit - and the 5 years' adding does not exceed the service that the said government servant could have rendered upto the date of his retirement.

Addition of some years to qualifying service 4.08 Any addition<sup>8/</sup> to 'qualifying service' is possible under special circumstances, such as, (1) adding for purposes of superannuation pension a period not exceeding one-fourth of the length of government servants' service or the actual period by which his age at the time of recruitment exceeded 25 years<sup>9/</sup> provided if the service or the post to which the employee is appointed is one : (a) for which post-graduate research or specialist qualification or experience in scientific, technological or professional fields is essential, and (b) to which candidates of more than 25 years' age are ordinarily recruited. Nevertheless, this concession can be availed only when the actual qualifying service rendered by the government servant is not less than 10 years. Option once exercised by the government service is final - and the concession requires final approval of the Ministry of Finance as also UPSC (in case the recruitment is made by the UPSC).

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8/ In the U.K., a civil servant who joins government service after attaining the age of 40 years, he gets a weightage factor of 8/5 or 1.66 of the actual years of service rendered; this concession is given to those civil servants also who join between the age of 30-40 years- but the weightage factor is applied only to the service rendered after 40 years of age - and for the earlier years the weightage is not applied.

9/ This rule existed earlier also but the service holders did not know about it either at the time of the selection by UPSC or afterwards : resultanty, after 1960 and upto 1972-73, only two government servants availed of this benefit. Therefore, the Third Pay Commission recommended that, in the advertisement issued by the UPSC, rules of retirement applicable to such specialised posts, should be mentioned that this benefit would also be available to candidates of better quality if they are attached to the government service (page 22, Chapter 60; Third Pay Commission Report)

Further, the specialist employed at the age of 35 years or more is obliged to elect within three months from the date of his appointment. If he elects to forego pension rights, he becomes eligible for Contributory Provident Fund.

Limitations : (The rules for declaration of 'surplus' as also 'addition' of service, are not applicable to Class IV servants)

Types of Pensions

4.09 There are following types of pensions, which are in vogue under the Government of India for Civil Servants :

- (1) Superannuation Pension : This is granted under Rule 35 to a Government servant who is retired on his attaining the age of compulsory retirement; the age usually ranges from 55 years to 60 years - though for a large majority of civil servants, it is applicable on attaining the age of 58 years.
- (2) Retiring Pension : This granted under Rule 36 to (a) government servant who retires (or is retired) earlier than the age of compulsory retirement in accordance with Rules 43 (or 48) <sup>10/</sup> of the Pension Rules or under Rule 56 of Fundamental Rules or Article 459 of the Civil Service Regulations; and (ii) a government servant who on being declared surplus opts for voluntary retirement under Rule 29 of the Pension Rules.
- (3) Pension Under Rules 37 & 37A <sup>11/</sup> : When an absorption, under a Government Corporation/company/Body of the Government servant is declared <sup>12/</sup> by the Government to be in 'public interest', he is retired from the service from the date of such absorption, but for the 'family pension', government does no more remain responsible. Under Rule 37A, a government servant can elect another alternative of getting the DCRG along with a lump sum amount, in lieu of pension, not exceeding the commuted value of one-third of his due pension (in accordance with the provisions of the Civil Pensions (Commutation Rules) - as also a terminal benefit equivalent to twice the amount of the lump sum mentioned just above; this is,

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<sup>10/</sup> Retirement is allowed on completion of 30 years' qualifying service - on permission by the government or under clause (i) of Article 349-A of the Civil Service Regulations under which Government has the option to retire a government servant after completion of 25 years' qualifying service.

<sup>11/</sup> This provision under Rule 37 was inserted vide Ministry of Finance Notification No.44(i)-EV/71 of Articles 9, 1973 - effective from April 21, 1973 : and Rule -37A was added vide Ministry of Finance Notification No.41(i)-EV/71-I of April 18, 1974.

<sup>12/</sup> Such declaration is not required in respect of a scientific employee.



however, subject to the condition that Government servant surrenders his right of drawing remaining two-thirds of the pension and he is not entitled to the DCRG and, if drawn in excess, he is to refund such amount.

- (4) Invalid Pension : Under Rule 38, when a government servant is declared by appropriate medical authority permanently incapacitated for further service, he can be granted 'invalid pension'. However, in case the incapacity is directly due to irregular or intemperate habits, no pension is granted; but in case it is declared that the servant is not fit for further employment of laborious character, he is employed on lower pay; but failing availability of further new employment, he is granted 'invalid pension'.
- (5) Compensation Pension : This pension is given, under Rule 39, to a government servant who is selected for discharge owing to abolition of his permanent post and is given the option, by three months' notice, either to take 'compensation pension' he is entitled to under Rules or to accept another appointment on such pay as can be offered and keep continuity in his services.
- (6) Compulsory Retirement Pension : When a Government servant compulsorily retires under Rule 40 as a penalty, the penalty is imposed at a rate not less than two-thirds and not more than full invalid pension (including gratuity). In case the penalty is more than what is provided as above, it can be imposed only by the President and therein prior UPSC's consultation is obligatory. Further, the provisions of Rule 46 (of additional pension and 49 of fixing gratuity) cannot be vitiated.
- (7) Compassionate Allowance 'in lieu of Pension Forfeited': Under Rule 41, a government servant dismissed or removed and forfeits both 'pension and gratuity' - a competent authority, if regards the case as deserving can sanction a 'compassionate allowance' not exceeding two-thirds of pension (or gratuity or both) however, it is not to be less than what is provided under Rule 49.
- (8) Extraordinary Pension : As a substitute to the application of Workmen Compensation Act 1923, to the industrial workers in Civil employment of the Government, extraordinary pension was being paid for deaths or injury suffered in circumstances attributable to 'risk of office' or 'special rise of office'. These items were not clearly identifiable giving scope for various interpretations -

though it is dependent upon consultations with the UPSC, Comptroller and Auditor General and Ministry of Finance where required. Therefore, the Third Pay Commission recommended to shape this pension on the lines of Workmen Compensation Act - in which it was emphasized that after the death of the pensioner, under this Clause the pension should devolve according to 'family pension<sup>13/</sup> rules, similar to what are in force in 'family pension' in the form of widow's pension, gratuity, children allowance; and that children's allowance should continue to be admissible as they were earlier. Further, ordinarily - if the employee is alive, he is granted 'invalid pension' - which should not be less than the 'family pension'.

- (9) Family Pension : The practice of family pension was not there before 1938. In fact, it is quite a recent phenomena under Pension Rules 77-82 (in 1964). There are two types of 'Family Pensions' : (a) Contributory Family Pension; and (b) Non-contributory Family Pension.

(a) The Contributory Family Pension: applies to a Government servant who enters in service in a pensionable establishment before the 1st January, 1964, and also to a Government servant who was in service on 31st December, 1963 and came to be governed by provisions of the family pension scheme for Central Government employees (1964) - contained in Ministry of Finance Office Memorandum No.9(16)-EV(A)/63 dated 31st December, 1963, as in force, immediately before the commencement of these rules. Under Rules 77-82 - on the death of a working Government servant or a pensioner - family pensioners becomes due to the nominee spouse/dependent children. In case of working government servant, besides family pension, DCRG is also available to the nominee/spouse/dependent children under Rule 55 and 54 (when the government servant is eligible for contributory family pension). The claims can be filed by the legal claimants - and in case of dependent claimants through the guardian; however, the unmarried daughter having attained can submit the claim herself. Their claims are validated after adjusting various assessed government dues; and when the orders from the pension sanctioning authority are not received within one month from the date of death; the Audit Officer assumes that full DCRG and non-contributory pension becomes due for sanction. In the event of non-settlement of government dues or non-availability of required documents, the anticipatory DCRG and

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13/ As explained in this paragraph under 'Family Pension'.

Pension are sanctioned - with a proviso for revision later on on completion of detailed investigation and inquiries; however, the anticipatory payments made earlier exceed the finally decided amounts - the refunds in respect of pension payments will become due but in respect of DCRG.

(ii) In case of deceased pensioner, family pension, as also residuary gratuity becomes due, the entitlement of family pension before the Third Pay Commission's recommendations, that was admissible is as below :

Table : 4.01 : Rates and amounts of Family Pensions prior to 1.1.1973

Sl. No.	Pay of the Government servant as before	Monthly family pension existing before
1.	2.	3.
1.	Below Rs.200/-p.m.	30 per cent of pay - with a minimum of Rs.25/- per month raised to Rs.40/- per month from 1.3.70.
2.	Rs.200-799	15 per cent of pay subject to a minimum of Rs.96/- and a minimum of Rs.60/-per month.
3.	Rs.800 and above	12 per cent of pay subject to a maximum of Rs.150/-.

The Scheme also provides that, if the servant dies in harness after rendering a minimum service of 7 years, the family should be paid at an enhanced rate of 50 per cent of last pay drawn or twice of the ordinary family pension - whichever is less; this enhanced pension is admissible for first seven years after demise of the servant or pensioner and thereafter the family is paid at ordinary rates (This Scheme is contributory in nature inasmuch as that every employee is required to surrender a portion of his gratuity - equivalent to 2 months' emoluments subject to a maximum of Rs.3,600/-.<sup>14/</sup>

(iii) When the Scheme of 'family pension' was accepted in 1964, it was estimated that by 1989 its cost will be about Rs.17 crores a year and the employees' share in this covered about 8 per cent of the total expenditure. In case of industrial workers with the government - the workers contribution is 1-1/3 per cent, employers' 1-1/3 per cent, and 2-2/3 of the Central Government for family pensions.

...66..

14/ Revised to Rs.5,000/-.



(iv) The Third Pay Commission thought that the existing rates of 'family pension' were inadequate - particularly to those who die in harness. Again, the Commission noted that the Central Government employees who died in 6 years (1965-66 to 1970-71) numbered 54,852 of which 70 per cent (or 37,824), had put in 10-30 years service; 21 per cent (11,639) less than 10 years' service; and 9% (or 5,389) more than 30 years service. Further, on an average annually (during 1965-66 to 1970-71) total demises of government servants in harness was 9,142 of which maximum deaths were of Class IV employees at 5,074 (or 56.6 per cent); followed by 3,878 (or 41.4 per cent); and Class I & II together 190 (or 2.00 per cent only). In the background of this analysis the Commission recommended 'family pension rates as below which were later on accepted by the Government.

Table : 4.02 : Rates and Amounts of Family Pension from 1.1.1973 for New retirees only

Sl. Pay of Government No. servant		Amount of family pension for New per mensem retirees
1.	2.	3.
1. Below Rs.400		30 per cent of pay subject to a minimum of Rs.60 and maximum of Rs.100.
2. Rs.400-1199		15 per cent of pay, subject to a minimum of Rs.100 and a maximum of Rs.160/-.
3. Rs.1200 and above		12 per cent of pay, subject to a minimum of Rs.160 and a maximum of Rs.250/-.

(v) In the event of the death of the pensioner - during first seven years of his retirement (or till he attains the age of 65 years), the family pension in no case is to exceed the pension sanctioned to a Government servant - but it has to be at an enhanced rate. Quite many family pensioners feel that family pension should be about 75% of the basic pension since except for 'food' and 'clothing' needs of the deceased pensioners, the widow-wife's other requirements remain unchanged.

(b) The Non-Contributory Family Pension : applies to a Government servant who was in service on 31st December, 1963 and had specifically opted for the Scheme of 'family pension'. This pension is granted for a period of not exceeding ten years to the family of a government servant who dies while 'in service' after completion of not less than ten

years' qualifying service - provided that the Government, in exceptional circumstances, grant of such pension to the family of a government servant who dies while in service after completion of not less than ten years qualifying service, and provided further that period of payment is in no case to extend beyond a period of five years from the date on which the Government servant would have been relieved in the normal course on 'Superannuation Pension'. The amount of non-contributory family pension payable under this Rule, is one-half of the superannuation pension - which would have been admissible to the government servant had he been relieved on the date following the date of his death. The pension is payable to person(s) who were dependent on the deceased government servant for support, such as, (i) an unmarried female member of a government servants' family on the event of marriage; (ii) a widowed female member of government servants family in the event of marriage; and (iii) a brother of government servant on his attaining the age of eighteen years.

In case a non-contributory family pension is granted to a minor member of the family of the deceased, it is payable to the guardian on behalf of the minor.

Amount of Pension entitlement

4.10 For pre-1938 entrants in service the maximum proportion of pension was 50 per cent 30/60 (the numerator indicating the number of years of 'qualifying service' of average emoluments<sup>15/</sup>. This proportion was reduced to 37.5 per cent or 30/80, but in addition to the pension, 'gratuity' for the post-1938 entrants was provided. After the acceptance of the recommendations of the Third Pay Commission the proportion was raised to 33/80 of the thirty-six months average emoluments along with DCRG.

Size of the Death-cum-Retirement Gratuity and its payment

4.11 According to Rule-50, a government servant who completed five years' 'qualifying service' becomes eligible for the ...68...

15/ Thirty-six months' average pay before retirement under Rule 34, the Rule has recently (February, 1976) been modified to ten months' average pay to obviate delay in sanction of pension and DCRG, by making the rules and procedure simpler and giving relief to pensioners who have to wait for sanction for periods extending to a year (or even 2-4 years) in quite many cases.

grant of gratuity or pension on his retirement plus death-cum-retirement gratuity. DCRG is one-fourth of the emoluments for each completed six monthly period of qualifying service subject to a maximum of 15 times of the emoluments. This applied to both pre-1938 and post-1938 entrants. In case a government servant (either for pre-1938 and post-1938 entrants) dies while in service after completing five years' qualifying service, the amount of death-cum-retirement gratuity shall be equal to 12 times of his emoluments subject to the condition that the amount of Death-cum-Retirement Gratuity payable is in no case to exceed Rs.24,000/-. Following Third Pay Commission's recommendations, the maximum amount of DCRG due to a retiring pensioner is not to exceed Rs.30,000/-.

Recognised  
Relations to  
receive  
pension and  
DCRG

4.12 For the purpose of these rules, the relation to a Government servant means : (i) Wife or wives (including judicially separated wife or wives) in case of male Government servant; (ii) Husband (including judicially separated husband in case of a female Government servant); (iii) Sons including step sons and adopted sons; (iv) unmarried daughters including step daughters and adopted daughters; (v) widowed daughters including step daughters and adopted daughters; (vi) Father, mother (including adopted parents in case of individuals whose person law permits adoption); (vii) Brothers below the age of eighteen years including step brother; (viii) unmarried sisters and widowed sisters including step sisters; (ix) Married daughters; and (x) Children of Pre-deceased son.

4.13 The pension payable under this rule is conferred by means of nomination and if there is no nomination or if the nomination made does not survive, the gratuity is to be paid in the manner indicated, that is, (a) if there are one or more surviving members of the family in clauses (i), (ii), (iii) and (iv) mentioned above, the gratuity shall be distributed to all members in equal shares; (b) if there are no such surviving members of the clauses mentioned above,



but there are one or more members as in changes (v), (vi), (vii), (viii), (ix) and (x) then the gratuity is to be distributed to all members in equal shares.

4.14 In case of Death-cum-Retirement Gratuity : When a Government servant dies while in service or after retirement without receiving the amount of gratuity and leaves behind no family and has made no nomination or the nominee does not survive, the amount of Death-cum-Retirement Gratuity - payable in respect of such Government servant under the prescribed rule lapses to the Government.

Procedures  
for sanction  
of pension  
for Gazetted  
& Non-Gazetted  
Govt. Servants

4.15 In all Departments, every Head of the Department is supposed to prepare a list every six months, i.e., on the 1st January and the 1st July each year of all Gazetted and non-Gazetted staff who are due to retire within the next 12 to 18 months; the copy of the list has to be sent to the Audit Officer in the Ministry concerned not later than 31st January or 31st July of that year. In case the retirement is for reasons other than the superannuation, Audit Officer is informed as soon as this is known to Head of the Department.

Gazetted  
Government  
Servants

4.16 All Gazetted Government servants are to submit in writing an application for Pension to the Audit Officer one year in advance of the date of his anticipated retirement; therefore, the Audit Officer prepares 'pension papers' and sends to the concerned Government servant, under intimation to the Department/Ministry. However, where the Government servant himself is Head of the Department then to the Ministry concerned, the submission of the application for Pension by the Officer one year in advance of the date of anticipated retirement is required to be returned to him duly completed within a period of three months from the date of issue of intimation but in no case later than the actual date of retirement. Further, after sending the duly completed application to the Audit Officer, the Head of the Department or the Ministry communicates the orders of the pension sanctioning authority to the Audit Officer within three months and if such orders are not received by the Audit Officer then he shall assume

.....70....

that the retiring Government servant has been allowed full pension or gratuity if after such communication any event occurs which has a bearing on the amount of pension admission the fact should be promptly reported to the Audit Officer by the Pension Sanctioning Authority. In the absence of any event, a report to that effect the certificate as to satisfactory nature of the service rendered by the government servant shall be forwarded to the Audit Officer within a week of the date on which the Government servant retires.

4.17 The Head of the office is required to furnish to the Audit Officer, at least fourteen days before retirement, the particulars of Government dues recoverable out of gratuity before payment is authorised. These Government dues include contribution towards the contributory family pension, if applicable, Government dues which have been assessed and amount to be held over for adjustment of Government dues which have not been assessed so far. After the retirement, a notification in the Official Gazette specifying the actual date of retirement is issued within a week of such date and a copy of this is to be forwarded immediately to Audit Officer. This is not necessary in case, in the official Gazette regarding the grant of leave preparatory to retirement to a government servant is already issued unless the leave is curtailed or when the retirement is for any reason postponed.

4.18 The Audit Officer thereafter assesses the pension and gratuity and if the pension is payable in his circle of audit, he often takes into account the orders of the pension sanctioning authority and the dues from the officer prepare the Pension payment order as also the order for the payment of gratuity.

4.19 In case, the pension is payable in another circle of audit, the Audit Officer shall send the necessary payment authority to the Audit Officer of that circle who arranges payment at the Treasury concerned. The fact of the issue of the pension Payment Order and order for payment of Gratuity is required to be immediately reported to the pension sanctioning authority.

4.20 If a Government servant is likely to retire before his pension or gratuity or both can be finally assessed, the Audit Officer determines the pension and the gratuity (or both) after careful summary investigation is entitled; he can as well order for disbursement of the anticipatory gratuity after deducting the necessary dues. The anticipatory amounts are subject to revision on the completion of the detailed investigation and inquiries. In case the amount of pension granted is found afterwards to be more than the entitlement he is asked to refund the excess (but refunding is not applicable in respect of gratuity).

4.21 In case of a government servant on whom there is charge of grave misconduct or negligence and against whom departmental or judicial proceedings are pending, the Audit Officer authorizes payment of Provisional pension not exceeding the maximum pension which would have been admissible on the basis of the Government servant's qualifying service. But no gratuity is authorised until the conclusion of the proceedings and final issue of orders. This provisional pension is adjusted against final retirement benefits.

Non-Gazetted  
Government  
Servants

4.22 Every Head of the Office shall undertake the work of preparing pension papers one year before the government servant is due to retire on superannuation and the Government servant himself is required to send the application to the Government one year in advance of the date on which he attains the age of superannuation.

4.23 The Head of the Office is to prepare a statement of the Government servant's service as also examine his service book in relation to pay bills and relevant records and satisfies himself as to whether the annual certificates of verification for the entire service are recorded therein. If any portion of service is not capable of being verified because the Government servant had rendered the service in another office or Department, a reference is made to the Head of that office or Department for the purpose of this verification for that period in which he has worked in that office.



4.24 If any portion of the Government servant's service cannot be verified in the above manner, then he shall file a written statement on plain paper stating that he had in fact had rendered that period of statement and make a declaration as to the truth of that statement and shall procure all evidences to support this declaration. If the authority to sanction pension to that Government servant is satisfied with the written statement, the information furnished by government servant and the evidence produced by him, only that portion of service will be calculated for purpose of sanction of pension. After complying these requirements the Head of the office certifies the character, conduct and past service of the Government servant to entitle him to the favourable consideration of the pension sanctioning authority. After completing these the Head of the office sends all these papers to the Audit Officer along with the concerned service book duly completed and any other documents relied upon for the verification of service claimed.

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Note : Other consequent proceedings are the same as in the case of Gazetted Officers as given in Paras 3.18 - 3.22.

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Summary

1. Under the Central Civil Services (Pension) Rules 1972 only substantively appointed central government employees, after rendering a qualifying service are entitled to pension, under certain conditions and limitations as also exemptions and privileges of counting temporary and officiating periods, military services, under declaration of a post 'surplus' adding years to qualifying service.
2. The Central Civil Services (Pension) Rules, 1972 and subsequent amendments are applicable to all the Central Government employees substantively appointed to civil services and posts including the civil employees in the Defence Services and if they have rendered 'qualifying service'. These Rules do not apply to : Railway Servants - who are still under 'Contributory Provident Fund' facilities, casual and daily-rated employees,

locally recruited persons abroad in diplomatic, consular or other Government of India establishments and persons employed under constitutional provisions or any other law in force. Various provisions also relate to 'war-service', 'dismissal', 'suspension', 'qualifying service' etc.

3. There are nine types of pensions : (i) Superannuation Pension; (ii) Retiring Pension; (iii) Pension under Rule 37 and 37-A; (iv) Invalid Pension; (v) Compensation Pension; (vi) Compulsory Retirement Pension; (vii) Compassionate Allowance 'in lieu of Pension Forfeited; (viii) Extraordinary Pension; and (ix) Family Pension. The rules applicable and eligibility are discussed under each heading.
4. From 50 per cent maximum, the proportion was brought down to 37.5 per cent, in 1962 (along with DCRG - introduced anew), and raised to 41.25 per cent on 1.1.1973 of the last thirty six months' average pay and this has been further liberalised to 41.25 per cent of the last ten months' average pay.
5. Death-cum-Retirement Gratuity (DCRG) is  $\frac{1}{4}$  for each completed six-monthly period of qualifying service subject to a maximum of 15 times of the emoluments : 13 months in lump sum and 2 months for family pension. Following the Third Pay Commission's recommendations the maximum amount of DCRG has been raised to Rs.30,000 (from Rs.24,000) subject to 14½ months in lump-sum and 2 months for providing family pension in the event of the demise of the pensioner. When a Government servant dies while in service (or after retirement) without receiving the gratuity (DCRG) and leaves behind no family and has made no nomination or the nominee does not survive, in such a situation the DCRG payable lapses to the Government.
6. Procedures for sanction of pensions to Gazetted and non-Gazetted servants are separately laid down- and these have been now significantly rationalised by the Government Order of February 1976.

.....

COMMUTATION VALUE FOR A PENSION OF  
RUPEE ONE PER ANNUM (EFFECTIVE FROM 1.11.1963)

Age next birthday	Commutation value expressed in number of years' purchase	Age next birthday	Commutation value expressed as number of years' purchase
1.	2.	3.	4.
17	20.33	51	13.07
18	20.22	52	12.75
19	20.11	53	12.42
20	19.99	54	12.09
21	19.87	55	11.75
22	19.75	56	11.42
23	19.61	57	11.08
24	19.48	58	10.73
25	19.33	59	10.39
26	19.18	60	10.05
27	19.02	61	9.70
28	18.86	62	9.36
29	18.69	63	9.02
30	18.51	64	8.68
31	18.32	65	8.34
32	18.13	66	9.00
33	17.93	67	7.67
34	17.72	68	7.34
35	17.50	69	7.02
36	17.28	70	6.70
37	17.05	71	6.39
38	16.80	72	6.09
39	16.56	73	5.80
40	16.30	74	5.51
41	16.04	75	5.23
42	15.77	76	4.96
43	15.49	77	4.70
44	15.21	78	4.45
45	14.92	79	4.20
46	14.62	80	3.97
47	14.32	81	3.75
48	14.02	82	3.54
49	13.71	83	3.64
50	13.39	84	3.15
		85	2.97

Note : This table is based on a rate of interest of 4.00 per cent per annum and is effective from 1st Nov., 1963.

(vide Railway Board's letter No.F(P)63NN1/35 dated 20.10.1963)

...75...



COMMUTATION OF (ORDINARY) PENSION

- (a) A retired employee in receipt of pension can commute a portion of his pension to the extent of 1/3rd of his pension subject to further conditions that after commutation, he should be in receipt of at least Rs.20/-p.m. as pension. In lieu of the commuted portion of pension, he shall get lumpsum calculated on the years of purchase laid down in the table at various ages. Such a table which is in force w.e.f. 1.11.63 vide Railway Board's letter No.F(P)63PNI/35 dated 29.10.1963 is enclosed.
- (b) If a pensioner at the age of 58 years commutes a portion of his pension to the extent of 1/3 say Rs.30/- he shall get the following lumpsum in lieu.

$$\text{Rs.30} \times 12 \times 10.73 = \text{Rs.3862.80}$$

- (c) In other words oneRupee pension is equivalent to the value shown against the particular age multiplied by twelve. The amount so arrived at shall then be multiplied by the pension commuted.
- (d) In cases of removal and dismissal from service whose pension is sanctioned as compassionate grants, commutation will not ordinarily be permitted except for the permanent benefit of the employee's family and will require the prior approval of Railway Board.
- (e) Commutation is permissible only on the medical report. The commuted value depends on the recommendations of the medical Board and on the age assigned by them at the time of examination.
- (f) If an employee after receiving pension through the treasury commutes a portion of his pension, the commuted value should be paid through the treasury, the same will be paid by the Accounts Officer.

Comparative statement showing benefits under pension scheme and I.F. scheme separately of an employee who has started service in the scale of Rs.30-35 and retired after specified years of qualifying service. Figures shown are approximate.

Year of Service	Pension benefits		X.P.F. Benefits					
	Service Gratuity Ordinary Gratuity	Pension per mensem	D.C.R. Gratuity on retirement	In case of death	Govt. contribution	On retirement or invalidation	In cases of death	Employees contribution
1.	2.	3.	4.	5.	1.	2.	3.	4.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
4 years	296	NIL	NIL	NIL	223	223	103	103
5 years	247	NIL	117	624	295	295	130	624
10 years	NIL	6.80	245	654	622	622	272	654
15 years	NIL	10.30	371	660	937	937	412	660
20 years	NIL	13.75	494	660	1272	1272	550	660
25 years	NIL	17.20	618	660	1607	1607	687	687
30 years	NIL	20.60	742	742	1942	1962	825	825
35 years	NIL	20.60	825	825	2257	2257	825	825
			+825	+825				

NB : 1 points for observation : Service/Gratuity/Ordinary Gratuity and Pension and DCRG are not payable together to anyone. Two gratuities are payable for staff with less than ten years service.

Annex 4.03

A Comparative picture of different cases of 7 years in Junior Scale : 10 years in Senior Scale, 5 years in Junior administrative, 5 years in inter Administrative & 5 years in (major Heads of Departments/Sr. Administrative)

Qualifying years of service	Service Gratuity	Benefits under pension Scheme		Existing F.P. Benefits			
		Pension per mensem	D.C.R. Gratuity On retirement	On death	Govt. contribution with interest	S.C.P.F. On retirement	On death
1.	2.	3.	4.	5.	6.	7.	8.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
4 years	1,660	Nil	Nil	3,763	1,763	1,130	8,850
5 years	2,114	Nil	1,001	2,296	2,296	1,112	5,340
10 years	NIL	95.50	3,566	6,417	6,417	3,962.50	9,510
15 years	NIL	172	6,480	12,737	12,737	7,200	11,520
20 years	NIL	340	12,780	22,281	22,281	14,200	17,040
25 years	NIL	531	20,250	36,209	36,209	22,500	22,500
30 years	NIL	675(max)	24,000(max)	54,850	54,850	31,875	31,875
32 years	NIL	675( " )	24,000	65,000	*65,000	33,750	*33,750

\*max Rs. 35,000/-

At 56th year, commutation value works as follows:

i) Monthly pension. = 675/- (now Rs. 1,000/- following Third Pay Commission).

ii) Extent to which commutation is permissible = 1/3rd of Rs. 675/- i.e. Rs. 225/- (as per above formula)

iii) No. of years of purchase of 56th Year Commuted value =  $225 \times 11.42 \times 12 = \text{Rs. } 30,834/-$  ( " " " )



Revised Scale of pension for retiring  
Government Servants effective from 1st January, 1973

Completed six monthly period of qualifying service	Scale of pension as a fraction of average emoluments	Maximum annual Pension (in Rs.)
1.	2.	3.
20	10/80ths	3,750.00
21	10½/80ths	3,937.50
22	11/80ths	4,125.00
23	11½/80ths	4,312.50
24	12/80ths	4,500.00
25	12½/80ths	4,687.50
26	13/80ths	4,875.00
27	13½/80ths	5,062.50
28	14/80ths	5,250.00
29	14½/80ths	5,437.50
30	15/80ths	5,625.00
31	15½/80ths	5,812.50
32	16/80ths	6,000.00
33	16½/80ths	6,187.50
34	17/80ths	6,375.00
35	17½/80ths	6,562.50
36	18/80ths	6,750.00
37	18½/80ths	6,937.50
38	19/80ths	7,125.00
39	19½/80ths	7,312.50
40	20/80ths	7,500.00
41	20½/80ths	7,687.50
42	21/80ths	7,875.00
43	21½/80ths	8,062.50
44	22/80ths	8,250.00
45	22½/80ths	8,437.50
46	23/80ths	8,625.00
47	23½/80ths	8,812.50
48	24/80ths	9,000.00
49	24½/80ths	9,187.50
50	25/80ths	9,375.00
51	25½/80ths	9,562.50
52	26/80ths	9,750.00
53	26½/80ths	9,937.50
54	27/80ths	10,125.00
55	27½/80ths	10,312.50
56	28/80ths	10,500.00
57	28½/80ths	10,687.50
58	29/80ths	10,875.00
59	29½/80ths	11,062.50
60	30/80ths	11,250.00
61	30½/80ths	11,437.50
62	31/80ths	11,625.00
63	31½/80ths	11,812.50
64	32/80ths	12,000.00
65	32½/80ths	12,000.00
66 and above	33/80ths	12,000.00

Gratuity admissible to Government servant  
retiring before completing 10 year 'Qualifying  
Service'

Completed six monthly periods of 'qualifying service'	Scale of gratuity	
	1.	2.
1	$\frac{1}{2}$	month's emoluments
2	1	" "
3	$1\frac{1}{2}$	" "
4	2	" "
5	$2\frac{1}{2}$	" "
6	3	" "
7	$3\frac{1}{2}$	" "
8	4	" "
9	$4-\frac{3}{8}$	" "
10	$4-\frac{3}{4}$	" "
11	$5-\frac{1}{8}$	" "
12	$5-\frac{1}{2}$	" "
13	$5-\frac{7}{8}$	" "
14	$6-\frac{1}{4}$	" "
15	$6-\frac{5}{8}$	" "
16	7	" "
17	$7-\frac{3}{8}$	" "
18	$7-\frac{3}{4}$	" "
19	$8-\frac{1}{8}$	" "

Definitions

- (1)(a) 'Audit Officer' means the Accounts and Audit Officer, (whatever his official designation), who authorises the disbursement of pay and allowances of a Government servant;
- (b) 'average emoluments' means three years average (now only 10 months average emoluments since 1976) monthly emoluments/as determined in accordance with rule 34;
- (c) 'child' means a child of the Government servant who, if a son, is under eighteen years of age and if a daughter, is unmarried and is under twenty-one years of age and the expression 'children' is to be construed accordingly;
- (d) 'emoluments' means emoluments as defined in rule 33;
- (e) 'family pension' means contributory family pension admissible under rule 54 and includes non-contributory family pension admissible under rule 55;
- (f) 'gratuity' includes :
- (i) 'service gratuity' payable under sub-rule (1) of rule 49;
  - (ii) 'death-cum-retirement gratuity' payable under sub-rule (1) or sub-rule(3) of rule 50; and
  - (iii) 'residuary gratuity' payable under sub-rule(2) of rule 50;
- (g) 'Head of a Department' means an authority specified in Schedule 1 to the Delegation of Financial Powers Rules, 1958, and includes such other authority or person whom the President may, by order, specify as Head of a Department;
- (h) 'Head of Office' means a Gazetted Officer declared as such under rule 10-A of the Delegation of Financial Powers Rules, 1958 and includes such other authority or person whom the competent authority may by order, specify as Head of Office;
- (i) 'Local Fund administered by Government' means the fund administered by a body which, by law or rule having the force of law, comes under the control of the Government and over whose expenditure the Government retains complete and direct control;
- (j) 'minor' means a person who has not completed the age of eighteen years;



(k) 'pension' includes gratuity except when the term pension is used in contradiction<sup>stin</sup> to gratuity;

(l) 'qualifying service' means service rendered while on duty or otherwise which shall be taken into account for the purpose of pensions and gratuities admissible under these rules;

(m) 'retirement benefits' include pension or service gratuity, and death-cum-retirement gratuity, where admissible.

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FORM 1

NOMINATION FOR DEATH-CUM-RETIREMENT GRATUITY

When the Government servant has a family and wishes to nominate one member, or more than one member, thereof.

1. I hereby nominate the person/persons mentioned below who is/are member(s) of my family, and confer on him/them the right to receive, to the extent specified below, any gratuity that may be sanctioned by the Central Government in the event of my death while in service and the right to receive on my death, to the extent specified below, any gratuity which having become admissible to me on retirement may remain unpaid at my death :-

Original nominees (s)			Alternate nominee(s)		
Names and addresses of nominee/nominees	Relationship with the Government servant	Age	Amount of share of gratuity payable to each	Name, address & age of the person or persons, if any, to whom the right conferred on the nominee shall pass in the event of the nominee predeceasing the Government servant or the nominee dying after the death of the Government Servant but before receiving payment of gratuity	Amount or share of gratuity payable to each **
1.	2.	3.	4.	5.	6.

This nomination supersedes the nomination made by me earlier on \_\_\_\_\_ which stands cancelled.

Note : (i) The Government servant shall draw lines across the blank space below the last entry to prevent the insertion of any name after he has signed.

(ii) Strike out which is not applicable.

\* This column should be filled in so as to cover the whole amount of the gratuity.

\*\* The amount/share of the gratuity shown in this column should cover the whole amount/share payable to the original nominee(s)

...83.

...(ii)...

(ii)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 197  
at \_\_\_\_\_.

Witnesses to signature

1. \_\_\_\_\_
2. \_\_\_\_\_

Signature of Government servant

(To be filled in by the Head of Office/Audit Officer)

Nomination by \_\_\_\_\_ Signature of Head of Office/  
Audit Officer

Designation \_\_\_\_\_

Office \_\_\_\_\_ Date \_\_\_\_\_

Designation \_\_\_\_\_

PROFORMA FOR ACKNOWLEDGING THE RECEIPT  
OF THE NOMINATION FORM BY THE HEAD OF  
OFFICE/AUDIT OFFICER.

To

\_\_\_\_\_  
\_\_\_\_\_

Sir,

In acknowledging the receipt of your nomination dated  
the \_\_\_\_\_/cancellation dated the \_\_\_\_\_ of the  
nomination made earlier in respect of gratuity in Form \_\_\_\_\_  
I am to state that it has been fully placed on record.

Place \_\_\_\_\_

Dated the \_\_\_\_\_

Signature of Head of Office/  
Audit Officer.

Designation :

NOTE : The Government servant is advised that it would be in  
the interest of his nominees if copies of the nomina-  
tions and the related notices and acknowledgements are  
kept in safe custody so that they may come into the  
possession of the beneficiaries in the event of his  
death.



FORM 3

(See rule 54 (12))

DETAILS OF FAMILY

Name of the Government servant \_\_\_\_\_

Designation \_\_\_\_\_

Date of birth \_\_\_\_\_

Date of appointment \_\_\_\_\_

Details of the members of my family\* as on \_\_\_\_\_.

Sl. No.	Names of the members of family	Date of Birth	Relationship with the Officer	Initials of the Head of Office	Remarks
1.	2.	3.	4.	5.	6.
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					

I hereby undertake to keep the above particulars up-to-date by notifying to the Audit Officer/Head of Office any addition or alteration.

Place \_\_\_\_\_ Signature of  
Government servant \_\_\_\_\_  
Dated the \_\_\_\_\_

\*Family for this purpose means :-

- (a) wife, in the case of a male Government servant;
- (b) husband, in the case of a female Government servant;
- (c) sons below eighteen years of age and unmarried daughters below twenty-one years of age, including such son or daughter adopted legally before retirement.

NOTE : Wife and husband shall include respectively judicially separated wife and husband.

FORM 5

(See rules 58(1), 63(1), 66 and 83(1))

APPLICATION FOR PENSION

From \_\_\_\_\_

To \_\_\_\_\_

SUBJECT : APPLICATION FOR SANCTION OF PENSION

Sir,

I beg to say that I am due to retire from service with effect from the \_\_\_\_\_ my date of birth being \_\_\_\_\_. I therefore request that steps may kindly be taken with a view to the pension and gratuity admissible to me being sanctioned by the date of my retirement. I desire to draw my pension from \_\_\_\_\_ Treasury.

2. I hereby declare that I have neither applied for, nor received any pension or gratuity in respect of any portion of the service qualifying for this pension and in respect of which pension and gratuity are claimed herein nor shall I submit an application hereafter without quoting a reference to this application and the orders which may be passed hereon.

3. I enclose herewith :-

- (i) two specimen signature of mine, duly attested;
- \* (ii) three copies of a passport size joint photograph with my wife/husband;
- +(iii) two slips each bearing my left hand thumb and finger impressions, duly attested;

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\*Only two copies of passport size photograph of self need be furnished:-

- (i) if the Government servant is governed by rule 54 of the Central Civil Services (Pension) Rules, 1972, and is unmarried or a widower or a widow;
- (ii) if the Government servant is governed by the rule 55 of the Central Civil Services (Pension) Rules, 1972.

+This is required only in the case of a person who is not literate enough to sign his name. If such a Government servant on account of physical disability is unable to give left hand thumb and finger impressions, he may give the thumb and finger impressions of the right hand where a Government servant has lost both the hands he may give his toe impressions. Impressions should be duly attested.

....(ii)....  
...86...

- 86 -

- (ii) -

(iv) two slips showing the particulars of my height and identification marks, duly attested.

++4. My present address is \_\_\_\_\_  
and my address after retirement will be \_\_\_\_\_  
\_\_\_\_\_.

Place \_\_\_\_\_  
Dated the \_\_\_\_\_

(Signature)  
Designation :

++ Any subsequent change of address should be notified to the Audit Officer/Head of Office.

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FORM 6

(See rules 60(1), 63(1), 69 and 73(7))

FORM FOR SANCTIONING PENSION

(To be sent in duplicate if payment is desired in a different circle of audit).

1. Name of the Government Servant.
2. Father's Name (and also husband's name in the case of a female Government servant);
3. (a) Present or last appointment, including name of establishment.
  - (i) Substantive.
  - (ii) Officiating, if any.(b) Remarks by the Receiving Authority.
  - (i) As to the character, conduct and Good/Fair Past service of the Government Indifferent/Bad servant.
  - (ii) Explanation of any suspension or degradation.
  - (iii) Any other remarks.
  - (iv) Specific opinion of the Receiving Authority whether the service claimed is established and should be admitted or not.
4. Orders of the pension sanctioning authority :-
  - (a) The undersigned having satisfied himself that the service of Shri /Shrimati/Kumari \_\_\_\_\_ has been thoroughly satisfactory hereby orders the grant of the full pension/death-cum-retirement gratuity/service gratuity which may be accepted by the Audit Officer as admissible under the Central Civil Services(Pension) Rules, 1972.

OR

The undersigned having satisfied himself that the service of Shri/Shrimati/Kumari \_\_\_\_\_ has not been thoroughly satisfactory hereby orders that the full pension or gratuity or both which may be accepted by the Audit Officer as admissible under the Central Civil Services (Pension) Rules, 1972, shall be reduced by the specified amount or percentage indicated below :

Amount of reduction in the pension \_\_\_\_\_  
Amount of reduction in the gratuity \_\_\_\_\_  
The grant of pension or gratuity shall take effect from \_\_\_\_\_.

....(ii)....  
...88...

- (ii) -

(b) In the event of death of Shri/Shrimati \_\_\_\_\_ after retirement, a contributory family pension of Rs. \_\_\_\_\_ will be admissible to Shrimati/Shri \_\_\_\_\_ under the rule 54 of the Central Civil Services (Pension) Rules, 1972.

(c) The following service of the Government servant has been approved for the grant of additional pension under rule 46 of the Central Civil Services (Pension) Rules, 1972.

Post/Posts held \_\_\_\_\_

Period of service \_\_\_\_\_

(d) This order is subject to the condition that if the amount of pension as authorised be afterwards found to be in excess of the amount to which the Government servant is entitled under the Central Civil Services (Pension) Rules, 1972, he/she shall be called upon to refund such excess.

(e) The pension and gratuity are chargeable to the Head of Account \_\_\_\_\_.

Place \_\_\_\_\_

Dated the \_\_\_\_\_

Signature and  
designation of  
the pension  
sanctioning  
authority

FORM 14

(See rules 77(4), 79(3) and 81(2))

FORM OF APPLICATION FOR THE GRANT OF CONTRIBUTORY FAMILY  
PENSION ON THE DEATH OF A GOVERNMENT SERVANT/PENSIONER.

1. Name of the applicant

- (i) Widow/Widower,
- (ii) Guardian if the deceased  
person is survived by  
child or children.

2. Name and age of surviving widow/widower and children of the  
deceased Government servant/pensioner.

Sl. No.	Name	Relationship with the deceased person	Date of birth in Christian era
1.	2.	3.	4.
1.			
2.			
3.			
4.			
5.			
6.			

3. Date of death of the Government servant/pensioner.

4. Office/Department/Ministry in which the deceased Government  
servant /pensioner served last.

5. If the applicant is guardian, his date of birth and relation-  
ship with the deceased Government servant/pensioner.

6. Full address of the applicant.

7. Name of the Treasury or sub-Treasury at which payment is  
desired.

8. Enclosures :

- (i) Two specimen signatures of the applicant, duly attested  
(to be furnished in two separate sheets).
- (ii) Two copies of passport size photographs of the applicant,  
duly attested.
- (iii) Two slips each bearing left hand thumb and finger  
impressions of the applicant, duly attested.
- (iv) Descriptive Roll of the applicant, duly attested,  
indicating (a) height and (b) personal marks, if any,  
on the hand, face etc.

(To be furnished in duplicate)

....(ii)....  
..90..



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- (ii) -

- (v) Certificate(s) of age (in original with two attested copies) showing the dates of birth of the children. The certificate should be from the Municipal Authorities or from the local Panchayat or from the Head of a recognised school if the child is studying in such school. This information should be furnished in respect of such child or children the particulars of whose date of birth are not available with the Audit Officer/Head of the Office).

9. Signature or left hand thumb impression\* of the applicant.

10. Attested by :

Name

Full Address

Signature

(i)

(ii)

11. Witnesses

(i)

(ii)

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NOTE : Attestation should be done by two Gazetted Government servants or two or more persons of respectability in the town, village or Pargana in which the applicant resides.

\*To be furnished in case the applicant is not literate enough to sign his name.

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Annex 4.12FORM 17

(See rules 77(5), 79(4) and 81(3))

FORM OF APPLICATION FOR THE GRANT OF NON-CONTRIBUTORY  
FAMILY PENSION ON THE DEATH OF A GOVERNMENT SERVANT/  
PENSIONER.

1. Name of the applicant.
2. (i) Name of the guardian in case the applicant is a minor.  
(ii) Relationship of the guardian with the applicant.
3. Name of the deceased Government servant/pensioner.
4. Relationship of the applicant with the deceased Government servant/pensioner.
5. Date of death of the Government servant/pensioner.
6. Office/Department/Ministry in which the deceased served last.
7. (i) Date of birth of the applicant.  
(ii) Date of birth of the guardian in case the applicant is a minor.
8. Full address of the applicant/guardian.
9. Name of the Treasury or Sub-Treasury at which payment is desired.
10. Enclosures
  - (i) Two specimen signatures of the applicant, duly attested (To be furnished on two separate sheets).
  - (ii) Two copies of a passport size photograph of the applicant, duly attested.
  - \* (iii) Two slips each bearing left hand thumb and finger impressions of the applicant, duly attested.
  - (iv) Descriptive Roll of the applicant, duly attested, indicating (a) height and (b) personal marks, if any, on the hand, face, etc.

(To be furnished in duplicate)

....(ii)....

- (v) If the applicant belongs to a category mentioned at (b) at item 11, he/she should produce reasonable proof of his/her dependence on the deceased Government servant/pensioner for support.
- (vi) If the applicant is a minor brother of the deceased Government servant/pensioner, certificate of age (in original with two attested copies) showing the date of birth should be furnished. (The original will be returned to the applicant after necessary verification).
- (vii) Affidavit (Please see paragraph 2 of Form 16).

11. Names and ages of surviving kindred of the deceased Government servant/pensioner :

Name	Date of birth in Christian era
(a) Widows/husband Sons Unmarried daughters Widowed daughters.	
(b) Father Mother Brothers below the age eighteen years. Unmarried sisters. Widowed sisters.	

12. Signature or thumb impression\* of the applicant.

13. Attested by

Name	Full Address	Signature
(i)		
(ii)		

14. Witnesses

(i)

(ii)

NOTE : 1. Attestation should be done by two Gazetted Government servants or by two or more persons of respectability in the town, village or Pargana in which the applicant resides.

2. If the applicant is a minor, the enclosures against item 10 (i) to (iv) are to be furnished by the guardian.

\*To be furnished in case the applicant is not literate enough to sign his name.



FORM 22

(See rule 81 (4))

FORM OF APPLICATION FOR THE GRANT OF RESIDUARY\*  
GRATUITY ON THE DEATH OF A PENSIONER

(To be filled in separately by each applicant)

1. Name of the applicant.
2. (i) Name of the guardian in case the applicant is a minor.  
(ii) Date of birth of guardian.
3. Name of the deceased pensioner.
4. Office/Department/Ministry in which the deceased pensioner served last.
5. Date of death of the pensioner.
6. Date of retirement of the deceased pensioner.
7. Amount of monthly+pension(including ad hoc increase,if any) sanctioned to deceased pensioner.
8. Amount of death-cum-retirement gratuity received by the deceased pensioners.
9. The amount of+pension(including ad hoc increase,if any) drawn by the deceased till the date of death.
10. If the deceased had commuted a portion of pension before his death, the commuted value of the pension.
11. Total of items 8,9 and 10.
12. Amount of death-cum-retirement gratuity equal to 12 times of the emoluments.
13. The amount of residuary gratuity claimed i.e. the difference between the amount shown against item 12 and item 11.
14. Relationship of the applicant with the deceased pensioners.
15. Date of birth of the applicant.
16. Name of the Treasury or Sub-Treasury at which payment is desired.

+If a retired Government servant in receipt of service gratuity or pension dies within five years from the date of his retirement from service including compulsory retirement as a penalty and the sums actually received by him at the time of his death on account of such gratuity or pension including ad hoc increase, if any, together with the death-cum-retirement gratuity and the commuted value of any portion of pension commuted by him are less than the amount equal to 12 times of his emoluments, a residuary gratuity equal to the deficiency becomes payable to the family.

CHAPTER-V

V. Research Design and Related Information

5.01 First four chapters offer a panorama of the present position in regard to (i) dynamics of the demographic structure; (ii) changing pattern of the 'aged', their size and proportion in relation to total population; (iii) a picture of the government employees - particularly central civil employees and their proportion to total population and the working population in India; and (iv) A brief account of the Civil Servants Pension Rules and Procedures - including the difficulties which might arise to them, in general. It is, now, important to apprise on the efforts involved in developing information system relating<sup>to</sup>/collecting of information, statistical data etc. about the numerical size of the central civil pensioners at a latest point of time and to stress on the various problems confronted by the pensioners - in particular the socio-economic problems.

5.02 When the research proposal was first sent to the Department of Social Welfare by the Indian Institute of Public Administration (New Delhi), in October 1974, for 'grant-in-aid' for research project on "the policy and administrative problems of pensioners", it was pointed out that as India has been growing industrially she will require adequate provision against risks incidental to industrialization - one of the risks being 'interruption and decline of earnings' due to old age and retirement. It was also stressed in the research proposal that Article 41 of the Constitution of India directs that the State shall, within the limits of economic capacity and development, make effective provision for assistance in cases of unemployment, old age, sickness and disablement and in other cases. The problems of old age cut across the disciplines of Politics, Economics, Sociology, Psychology, Gerontology, Public Administration, Law, etc. and therefore, an interdisciplinary approach, it was emphasized, will be called for in accomplishing the research. Further, since Independence, there

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has been a rapid expansion of Government activities and personnel employment in Government service at the Centre, State and Local levels; these are incessantly expanding and will continue to expand. In the expanding process, as an operation, retirement benefits will not only get rationalised but liberalised also - some getting pensions and/or some provident fund; their principles and future re-orientations will continue to play important roles in augmenting welfare levels. Nonetheless, it is an irony that hardly a substantial discussion takes place in respect of the adoption of the 'age of retirement' and 'principles of fixing pensions' - though Article 41 of the Constitution lays emphasis about "effective provision" of protection against 'old age' - this requires close scrutiny from the standpoint of the State as also that of the pensioner. In addition, the arbitrary delays in the settlement of pension/provident fund, and payment to the beneficiaries, cause an array of harassments - and these make a 'mockery' of Constitutional "effective provision". This aspect calls for examining the social, economic, psychological and administrative problems. Considering the above, the specific main aims of the project listed were :

- (i) to estimate the magnitude and size of the pensioners under the existing laws, regulation and orders and possibly, project the possible increases in the magnitude by the end of the century;
- (ii) to examine the existing policies, statutes and programmes and see whether these cover and are flexible enough to bring within their fold the rapidly expanding number of employees in the public and private sectors so as to provide effective assistance for the aged in the context of industrialisation of economy and disruption of security under family auspices; and
- (iii) to examine the organisation and procedures for the settlement and disposal of pension cases and regular payment of pension without harassment to the claimants.

5.03 In addition, the secondary objectives listed were :

- (a) the psycho-somatic problems of pensioners having wife or widowed living with children or relatives or living single in private residence or in public institutions;



- (b) the occupation, recreation propensities and activities or the hobby patterns of pensioners and
- (c) the longevity rate of pensioners - sex-wise, area-wise, class-wise, etc.

5.04 The research questions or hypothesis framed for the study were :

- (i) The pensioners, in India, have been suffering from a lack of a coherent policy towards the retired employees for providing effective assistance in old age as well as from the shortcomings in the implementation of the existing policies;
- (ii) There is erosion of security due to spiralling prices and hardly any policy or machinery exists to adapt the pensions rates to the price rise and this deficiency deserves to be remedied;
- (iii) The psycho-somatic issues of the pensioners have never been taken into account by the State in providing pension, provident fund to the retired employees and hardly any services in kind are available to the pensioners. These deserve to be improved or remedied.

5.05 Further, elaboration of the research hypothesis was also made in the proposal, as below :

- (i) Retired Government Or Quasi-Government servants are provided meagre financial aid by way of pension which is highly inadequate for the maintenance of himself and his dependents;
- (ii) Decline in purchasing power of the rupee and increasing family liabilities makes the pensioner feel more insecure than the expectations entertained before retirement;
- (iii) Unprecedented rise in the prices of essential commodities and increases in the list of new items of expenditure keep him hardpressed even if he has income from the earnings of a young son or daughter;
- (iv) The difficulties of making both ends meet puts a pensioner in an embarrassing position in terms of social status and also leads to malnutrition and health hazards in the old age;
- (v) On account of economic hardships, a would-be pensioner is likely to indulge in malpractices to collect money, and later on use his 'know-how' to serve a private citizen against public interest;
- (vi) The delays in the settlement of pension claims, due to procedural and attitudinal factors cause much harassment to the retired persons to get their claims settled.

- (vii) The procedures required to claim every month the pension amount and lapses in claiming in intervals cause hardships in the recovery of arrears and the claims for current periods; and
- (iii) The "family pension scheme" introduced a few years ago also needs examination from all these points of view - particularly whether all how far has it been contributing to the well-being of the family - both from objective and procedural points of view.

5.06 However, the Department of Social Welfare while agreeing to approve the grant-in-aid suggested, in February, 1975 made some of the following modifications on the 'substantive' points :

- (i) Restricting to include only Central Government employees in Delhi;
- (ii) Main focus on socio-economic problems;
- (iii) Reformulation of objectives in logical sequence;
- (iv) A few case studies in regard to processes and procedures for settlement of pension cases;
- (v) Rewording of the objectives as below :
  - (1) To estimate the magnitude and size of the pensioners under the existing laws, regulations and orders and possibly project the possible increases in the magnitude by the end of the century;
  - (2) to examine the existing policies, statutes and programmes with a view to suggesting policies, modifications in the light of increasing cost of living and needs of pensioners;
  - (3) to examine the processes and procedures with a view to identify the causes and undue delays intinely settlement and disposal of pension cases;
  - (4) to find out the physical, emotional and social problems of pensioners with a view to suggesting measures for remedying these; and
  - (5) to explore the possible role the pensioners can play in community life and in rendering social service.

5.07 The present research study (from the Department of Social Welfare, Ministry of Education and Social Welfare, Government of India) confines, as stated above, the geographical

coverage to Delhi and to the central civil pensioners residing in Delhi. Because of wide differences in pension rules, this study has further confined the universe to only civil Central Government pensioners in Delhi - leaving out defence active services and Armed Forces.

5.08 Incidentally, the Central civil pensioners residing in Delhi form a prototype concentrated cluster of central civil pensioners as also that of the Central Government civil employees. This provides a meaningful setting to derive a representative sample - of all shades of central government civil employees (see Table 5.01)<sup>1/</sup> and central civil pensioners, arising out of following pertinent factors:

Table 5.01 : Estimated Employment in the Public Sector in India (as on 31.3.1973)  
(in lakhs)

Years	Central Government Establishments	Index	State Govt. Establishments <sup>b/</sup>	Quasi-Government Establishments	Local Bodies	Total
1.	2.	3.	4.	5.	6.	7.
1961	20.89	(100.00)	30.14	7.73	11.73	80.49
1964	24.35	(121.11)	34.32	10.97	14.90	84.54
1965	25.68	(125.98)	35.85	12.07	15.98	89.58
1966	26.31	(129.42)	37.27	13.16	16.89	93.63
1967	26.88	(131.14)	37.66	14.02	17.78	96.34
1968	27.15	(133.48)	38.03	14.84	18.00	98.02
1969	27.13	(134.05)	39.01	16.55	18.25	100.94
1970	27.23	(136.15)	39.83	17.87	18.57	103.50
1971	27.71	(139.49)	41.52	19.29	18.78	107.30
1972	28.41	(145.94)	42.82	21.71	19.15	112.09
1973	31.58 <sup>a/</sup>	(150.81)	-	-	-	-

Annual Average

Growth Rate 4% 3.9% 17% 11% 3.25%

a/ The figure of 31.58 lakhs consists of 28.57 lakhs regular employees and 3.01 lakhs non-regular employees in the year ending on 31.3.1973; and in the year ending on 31.3.1972 the regular employment was 27.51 lakhs.

For the year 1975-76 the Central Governments regular employees might be around 3.1 millions.

b/ See for details Annex 5.01

Sources : 1. Statistical Abstract of India, 1972 (Table 136, p.328) C.S.O., (Department of Statistics)  
2. Census of Central Government Employees - As on 31st March, 1973 (Directorate General of Employment and Training, Ministry of Labour, New Delhi).  
3. Figures within brackets indicate indices of growth with 1961 = 100.

<sup>1/</sup> For the data on State employees see Annex 5.01. ...99...



- (i) Delhi has a representative spectrum of all the country's people - particularly within the universe of the central government civil employees - who hail from Northern, Southern, Eastern and Western regions/States of the country; nonetheless, it is true that Northerners' proportion is overwhelmingly high over 80-90 per cent because largely the officers in Class III and Class IV are often the people who come from local and neighbouring regions/States of the North. Statewise distribution of Delhi pensioners also confirms this contention.<sup>2/</sup>
- (ii) Delhi city has about 6.8 per cent of the Central Government employees - which is the highest proportion in any 'locality' and also the largest as compared to any other metropolitan city of Bombay, Calcutta and Madras, Hyderabad - having their proportions of 5.8 per cent, 4.46 per cent, 3.34 per cent; and 1.32 per cent respectively.

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2/ Nearly 87 per cent of the 1000 respondent sample pensioners are from the Northern region States (that is, the Punjab - including West Pakistan refugees - Haryana, Himachal Pradesh, U.P., and Jammu & Kashmir. Rest of the 13% come from Southern States (3.8% from Tamil Nadu, Kerala, Andhra Pradesh, Karnatak); Western States (3 per cent, comprised of Rajasthan, Gujarat, Maharashtra and Madhya Pradesh) and Eastern States (5.6% comprised of Assam, Bengal (including Bangla Desh), Bihar and Orissa as shown in the table given below:

Regional Area/ States of births	No. of respondent pensioners	Proportion of total respondents
1. Northern States	866	(86.60)
2. Eastern "	56	( 5.60)
3. Southern "	38	( 3.80)
4. Western "	30	( 3.00)
5. No response (not relevant)	10	( 1.00)
Total :	<u>1000</u>	<u>(100.00)</u>

- (iii) 8.1 per cent of the total central government employees (numbering about 2,10,000) are in Delhi Territory - of which 6.8 per cent are in the Delhi City - as against this, 14 per cent of the central civil pensioners (or 45,000) are in Delhi out of 0.355 million total central civil pensioners as on January 1, 1975. This gives a concentration coefficient of '1.8' for pensioners vis-a-vis employees.

5.09 Whatever data that could be mobilised from the Offices of the Accountant Generals (1. Central Revenues,<sup>2.</sup> Commerce, Works & Miscellaneous,<sup>and 3.</sup> Posts & Telegraphs and Telecommunications), Ministry of Finance, Ministry of Railways and Ministry of Defence etc. indicate an estimated aggregate of about 1.15 million total central pensioners as on 1.1.1975; of them nearly 0.355 millions<sup>3/</sup> are civil pensioners; and 0.75 millions<sup>4/</sup> defence pensioners. (See Annex 5.02). Incidentally, the proportion of the total central pensioners is nearly 37 per cent of the central employees during 1975-76; but the size of the Defence pensioners, is more than the employees in that Ministry. It is important, however, to note that out of about 1.5 million "railway employees" about 0.5 million are still under Contributory Provident Fund Scheme and they have thus not opted for pensions. Thus, the potential pension - <sup>civil</sup> opting regular/central government employees are 2.6 millions (or 84 per cent) only out of a total of 3.1 millions. The technological ratio between civil pensioners/regular civil employees is 0.137 (or 13.7 per cent of the civil employees).

5.10 The highest proportion (6.8 per cent) of regular central government employees is stationed in Delhi City (and 8.01% in Delhi Union Territory) - followed by Calcutta (5.80 per cent) Bombay (4.46 per cent), Madras (3.34 per cent), and Hyderabad (1.32 per cent). The five big cities (namely, Delhi, Calcutta

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<sup>3/</sup> Out of 0.355 million civil pensioners the Ministry of Railways holds 0.09 million; in the Ministry of Defence, 0.054 millions; in the Ministry of Communications, 0.01 million and 0.11/<sup>/million</sup> in other Ministries (including the Ministry of Home Affairs).

<sup>4/</sup> Defence Ministry total pensioners, as on 1.1.75 were 0.811 million of which civil pensioners were 0.054 (leaving a figure of 0.75 million for Defence pensioners) - See Annex 5.02.

Bombay, Madras and Hyderabad) account for 22.18 per cent of the regular central government employees; nonetheless, Delhi has a texture of employees as well as pensioners represented, in some way, by the original residents of almost all the States.

5.11 In Delhi, the number of central civil pensioners is sizeable (that is, more than the proportion of regular civil central employees in Delhi). Approximately 22,000 civil pensioners, draw their pensions, from Tees Hazari Treasury, 10000 from R.K. Puram Treasury, 4000 pensioners, from Post Offices, 600 from the Pay & Accounts Office and a certain number of pensioners from the departmental divisional offices. The number of the civil pensioners service by the foregoing agencies total to about 35,000 officers. In addition, some of the actual erstwhile retirees (equivalent to 30-35 per cent of the present pensioners) having left for heavenly abode and have left behind an equal number of successor beneficiaries (called 'family pensioners') of demised pensioners - who draw about half or one-quarter of the pensions. Their number is about 10,000. This makes a total of 45,000 civil pensioners who draw their pensions in Delhi; they form 14 per cent of the total civil pensioners in Delhi. Whereas the central civilian employees in Delhi are only 8 per cent, as mentioned earlier; this implies that Delhi has a "co-efficient of concentration" of pensioners in relation to the regular central employees of little less than '2'. Consequently, it was thought meaningful that confining the survey to the central civil pensioners' in Delhi alone, will not ordinarily checkmate the meaningful portrayal of the central civil pensioners in the country.

5.12 It was difficult to carve out the strategy for the survey operation; any of the thought-process could have been intricate enough to decipher the pensioners household distribution according to residences and localities. No list - organised or random one - could be made available either by the Offices



of the Accountant Generals or the Treasuries (or any other pension disbursing agencies/institutions). Further, to select the criteria and to earmark about 1000 respondent pensioners<sup>5/</sup> - who could represent the 'warp and woof' of all the size of the pensioners according to their economic and social status - was equally strewn with impediments. Inspirations were sought from the studies on the 'aged' or the 'pensioners' done in other countries and in our country; the experience of the authors was not a smooth path and involved a number of constraints and bottlenecks.<sup>6/</sup>

5.13 A study was consummated and published by the Tata Institute of Social Sciences, Bombay early in 1975. The study entitled : "Problems of Retired People in Greater Bombay" was sponsored by the Research Programme Committee of the Planning Commission. Definitionally, the study identified three attributes for the term 'retired person' : he is one who (1) is employed by others; (2) does not retire voluntarily by himself; and (3) is forced to retire by the employers. For responses, the study confined to three groups of retirees from the Government or semi-Government organisations; the groups being (a) executives - that is, Gazetted Officers, (b) Clerks - that is, non-Gazetted Officers, and (c) teachers - both secondary and primary teachers - respectively of the Government Secondary Schools and Municipal Corporation Primary Schools. From each of the three groups an equal sample size

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5/ See 'A Technical Note on Sample Size' - Annex 5.03.

6/ Study on "Problems of Retired People in Greater Bombay", (Tata Institute of Social Sciences, Bombay) during survey found that the 'retired people' were not inclined to talk about ailments, health problems, incomes and expenses, savings and indebtedness, even with family and friends. Some respondents even bluntly stated that they would tell to the investigator(s) what their son(s) might wish to say. Another study by Kirpal Singh Sooden on the 'Aged in India in the City of Lucknow' (1975) also faced the hurdles in canvassing the interview schedules.

of 200 respondents was selected - after obtaining the lists from the offices of the Accountant General, Maharashtra the Education Department or the Bombay Municipal Corporation - this made a total sample size of 600 retiree respondents. No Class IV employee was included in the sample as a respondent since their low educational level - as the authors thought - might come in the way for establishing rapport with them and also because proper responses may not be got. From the Accountant Generals' Office a list of 200 executives/Gazetted Officers was taken - 150 below the age of 70 years and 50 beyond the age of 70 years; and of 200 clerks/ non-gazetted officers - 150 below the age of 70 years; and 50 beyond the age of 70 years. The teachers group of 200 respondents consisted of 75 secondary school government teachers, and 125 municipal Corporation's primary school teachers as obtained respectively from the Government Educational Department and the Municipal Corporation. An interview schedule was canvassed to these 600 respondents.

5.14 Also, two other separate interview schedules were canvassed to : (1) younger generation (between 21-40 years) who stay in the retirees' households with the retired people - an interview schedule was canvassed to respondents; this was done to find out how the younger generation feels about the retirees - and (2) persons about to retire - for finding out, whether they made any preparation to face the problems of retirement; in all 100 respondents were interviewed : 25 Gazetted Officers, 25 non-Gazetted Officers, 25 secondary school teachers and 25 primary school teachers.

5.15 In passing, it may be observed that in the research design the representation of the three groups does not satisfy the criterion of 'probability proportionate to size' since the gazetted officers/executives (drawing a pay range above Rs.500p.m) the number and proportion in the total employees of the Government of Maharashtra (in Bombay) was less than 9000 (or less than 7 per cent) out of a total of 141,000 employees - of which clerks and secondary and primary could be around

48,000 (or about 35%)<sup>7/</sup> Similarly, the ratio of 3:5 in the sample of 200 teachers from the Government secondary schools and the Corporations' primary school may as well suffer from the aforesaid lacunae.

5.16 Another study undertaken was : "Aged in the City of Lucknow" - based on a survey conducted during 1964-65 by Kirpal Singh Soodan<sup>8/</sup> The survey covered Lucknow Mahapalika area only and excluded two areas which were parts of Lucknow urban -group (namely, Lucknow Cantonment and Chandbagh - Alambagh Notified Area). The Mahapalika had, in 1961, a population of 595,440 persons<sup>9/</sup> - in 32 wards - which were further divided into 613 census blocks. Considering that about 8 per cent<sup>10/</sup> of the population was in the age -group "55 years and over", a sample of 400 aged to be interviewed was decided, for canvassing the interview schedule. However, only 390 respondents could be successfully administered the Schedule. Thus, the sample formed 0.8 per cent of the universe of about 47,630 'aged'.

5.17 Sampling operation consisted of two steps : (1) a cluster sample from 613 census enumeration blocks on random basis; and (2) a census survey of the households in the sample block. To obviate the possible hurdles arising out of the non-availability of a list of the aged "55 years and over", the city was divided into mutually exclusive geographical areas and a sample of the areas was selected from three groups of enumeration blocks : (a) blocks with 0-500 population; (b) blocks with population of 501-1000; and (c) blocks with population of 1001-1500. All these were serially numbered in order of sequence. In all, 1496 units were selected in the

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<sup>7/</sup> The data about Bombay as given under Appendix-II (in "the Census of Central Govt. Employees - as on 31st March, 1973" - mimeographed; The Directorate General of Employment and Training, Ministry of Labour, New Delhi.

<sup>8/</sup> K.S. Soodan : Aging in India (Minerva Associates, Pvt. Ltd. 1975)

<sup>9/</sup> In 1971, Lucknow city's population reached

<sup>10/</sup> In 1951, in the U.P. aged's proportion was 6.3 per cent; it declined to 7.4 per cent in 1961.



613 blocks - and out of them only 9 sample blocks<sup>11/</sup> were identified with the aid of the first 10,000 random decimal digits from Rand Corporation's, "A Million Random Digits with - 10,000 Normal Deviates". Thereafter, from 9 sample blocks 400 households were selected for canvassing the Interview Schedule - but only 390 were successfully canvassed.

5.18 Two studies on the 'aged', in Delhi, were undertaken earlier. One by the Delhi School of Social Work and the other by the Central Institute of Research and Training in Public Co-operation, New Delhi - with a particular emphasis on mobilising of voluntary service. However, these studies are at drafting stage and the results are not available. It is relevant to observe that the Delhi Study aims to be a longitudinal study of the aged in India (with a universe of persons of '60 years and over'). Under this study an exploratory survey was undertaken in 1970-71 - to collect information on social, economic, psychological and health problems - with a variable concentration and distribution of the aged in various areas. For this the recourse was taken to revised electoral rolls - numbering 198 in all - (as prepared in March-April, 1970) of six parliamentary constituencies - which were obtained from the Chief Electoral Officer, Delhi. The number of the 'aged' in the rolls was found to be 1,24,097 - which marked a raise of 30,000 over 1961 census figure. A sample of 2000 was taken for survey. Since there were 53 aged persons in a zone in East Delhi and 1754 aged in another zone in Chandni Chowk - a systematic differential weighting commensurate with their respective population strengths was given. The proportion of the aged '60 years(+)' in Chandni Chowk formed 10.62 per cent of the electorate; in sadar Bazar, 9.08 per cent; in South Delhi, 8.70 per cent; and 6.04 per cent in New Delhi. The main objective of the sampling

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<sup>11/</sup> Name of wards and census enumeration block numbers (within brackets) are as follows : Maulviganj (12), Bairaiganj (10), Narhi (18), Pandariba (4), Kumari Rakabganj (15), Mashakganj (10) and Bhilawar (9).

design was to ensure equi-probability of selection to every aged person in Delhi, and to balance the distribution within manageable bounds. The sample size of 2000, gave 1:62 chance to each individual in the aged population of 1,24,097 living in Delhi. Accordingly, the respondents' list was drawn from 20 zones (or 10 per cent) out of 198 zones to embrace all hues of the kaleidoscopic population. An additional sample of 25 per cent was also listed, to be used in case of need. It could have been quite cumbersome and time-consuming in the present study to list the 'universe of the pensioners' in Delhi; therefore, a different strategy was employed as partly explained earlier under paras 5.08 to 5.16.

5.19 The elaboration of the experiences of various studies done in India (as explained briefly in paragraphs 5.12 - 5.18) necessarily left no alternative but to seek for a method as well as a sample operation which would, in any case, not infringe the elements of sampling theory and in the process evolve an agreeable solution. While having a number of discussions with the Treasury Officers of R.K. Puram Treasury and Tees Hazari Treasury, it was disclosed that the pension payments are made to different pensioners according to the size of their monthly pensions on different dates of the months. For example, in R.K. Puram Treasury the pensioners drawing pension between Rs.80-140 per month were to get pensions on the first and second day of the month; between Rs.140-275, on the third and fourth; between Rs.275 -400 on the fifth and sixth; between Rs.51 and above, on the seventh; and between Rs.401 and above, on the eighth and ninth. However, those who missed the visits to the Treasury either due to the inability or due to holiday or due to some other bottlenecks, could again visit the Treasury on the 20th and 21st. Further, it was learnt that nearly 90 per cent of the pensioners allotted to R.K. Puram Treasury were drawing the pensions by visiting the Treasury personally on the scheduled dates and only about 10 per cent (mostly belonging to the highest pension income group) were collecting pensions through the banks - a large number through the R.K. Puram Branch

of the Syndicate Bank - and rest through the State Bank of India and other nationalised banks. The broad pattern of the pension income groups and the scheduled dates for drawing the pensions at the Tees Hazari Treasury was little different - but suitable to be synthesized to the income groups of R.K. Puram Treasury<sup>12/</sup>. A group of freedom fighters was also drawing pensions from these Treasuries and so also Defence Ministry's pensioners from Armed Forces; as their survey was not relevant to the present study - we could ignore them.

5.20 Arising out of the knowledge gained relating to the system of payments on certain fixed dates to various income groups of pension income earners, it was felt that a built-in random sample was available at both the Treasuries. What was needed is to get an idea of the rough distribution of the proportion of the pensioners in different pension income groups and canvass the Interview Schedule according to their weightage commensurate with respective population strengths. The approximate proportions were : 20 per cent, 35 per cent, 25 per cent, 10 per cent, 5 per cent, and 5 per cent respectively for the pension-income groups of upto Rs.100, Rs.101-200; Rs.201-300; Rs.301-400; Rs.401-500 and Rs.501 and above. Accordingly, the number of canvassing to different income-bracket pensioners was roughly fixed around the aforesaid proportions in both the Treasuries and also at the Post Offices.

5.21 The variations in the proportions of the actual numbers and proportions, nonetheless, crept in while conducting the survey because all the pensioners were not collecting pensions every month - some were also collecting bi-monthly, quarterly, half-yearly, and even a few over a longer periodicity. It turned out that 85.2 per cent were collecting pensions monthly; 7.5 per cent, bi-monthly; 5.6 per cent quarterly; 0.7 per cent, half-yearly; and 1 per cent, with longer periodicity.

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<sup>12/</sup> For the date schedules of the R.K. Puram Treasury and Tees Hazari Treasury for pension-income groups of pensioners see Annex 5.04.



5.22 After the survey data analysis, it also turned out that for the six pension income groups (mentioned in para 5.20) the proportions represented in the Survey were : 19.1 per cent; 34.1 per cent; 24.3 per cent; 10.5 per cent; 5.9 per cent; and 6.1 per cent. The increase in the last two groups is more prominent because it was necessary to canvass the interview schedules to higher income pensioners also separately because a large number of them were collecting pensions through the banks - and it was necessary to find out the efficiency of the pension disbursements through the banks.

5.23 Now a number of pensioners are collecting pensions through the public sector banks following the introduction of the Scheme on July 1, 1976 in seven metropolitan cities and its further extension on November 1, 1976 to eight States - namely, Chandigarh, Gujarat, Haryana, Karnataka, Kerala, Maharashtra, Punjab, Uttar Pradesh and West Bengal. A large number of pensioners will draw pension from the banks following further extension of facilities in all the States and Union Territories effective from March 1, 1977 from any of the branches of the public sector banks - as announced on February 1, 1977. This facility has been made available to the former Members of the Parliament also to draw their pensions.

5.24 Further, simplifying of the procedure announced on January 1, 1977 the pensioners will not be required to furnish certificate of non-employment or particulars of re-employment under the Central or State Government or under a Public Undertaking or Corporation or an autonomous body or a local fund; so also Class I officers and all-India Services officers will not be required to furnish declarations in May and November each year about acceptance or non-acceptance of commercial employment, within two years from the date of their retirement; however, similar declaration will be necessary about acceptance or non-acceptance of any employment outside India. All these will encourage use of banking facilities for collecting pensions. Nevertheless, even now, more than 60 per cent of pensioners are continuing to draw their pensions at the Treasuries.

5.25 It is probably useful to have an idea about the "income distribution amongst the Central Government employees". This can portray a broadside of the "income distribution of the pensioners - so far as it concerns their pension incomes". As a 'rule of thumb', three-eighths (or 37.5 per cent) of the average pay of last 36 months of the employees determines the pension income - as this rule has prevailed for quite many years - though a new formulae was introduced from January 1, 1973 of 33/80 (or 41.25 per cent) portion of the last 36 months' average pay - which was further liberalised to 33/80 of the last 10 months average pay by February 1976 Scheme. More or less the average pension of all the Central civil pensioners can be assumed as one-third of the last averaged pay - though it might be lower in some cases - as our survey also indicates.<sup>12/</sup> Along with the distribution of the pay scales of the Central Government employees (as on 31.3.1973) - a picture of the 'pension-income distribution' is presented in Table 5.02 - wherein the frequencies and cumulative frequency percentages of the numbers of the employees and the pensioners on the one hand and that of their corresponding frequencies and cumulative frequency percentages of incomes are presented. A graphic portrayal of the same is shown through Lorenzo curves in Graph 5.01.

5.26 The graph demonstrates that the income distribution of the employees pay scales is, undoubtedly uneven and unequalitarian in character. But the 'distribution of pension incomes' is more unequal amongst the civil pensioners - which causes a feeling of despondency for the senior citizens. The factors responsible for this state of affairs have been accumulating over the years. The money income of the pensioners, on an average is one-third (or less) of the last pay while they were employees; in case of high-income employees corresponding fall in pension income is much more since the maxima of the pension is bound by ceiling(s) - formerly at Rs.675/- and now Rs.1,000/- whereas, the maximum pay goes upto Rs.4,000/- per month. Further,

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<sup>12/</sup> See Annex-5.05 which conveys that only about 15 per cent of the pensioners had put in less than 25 years' "qualifying service".

Table 5.02 : Central Government Civil Employees' and Pensioners' Income Distribution during the first quinquennium of 1970's

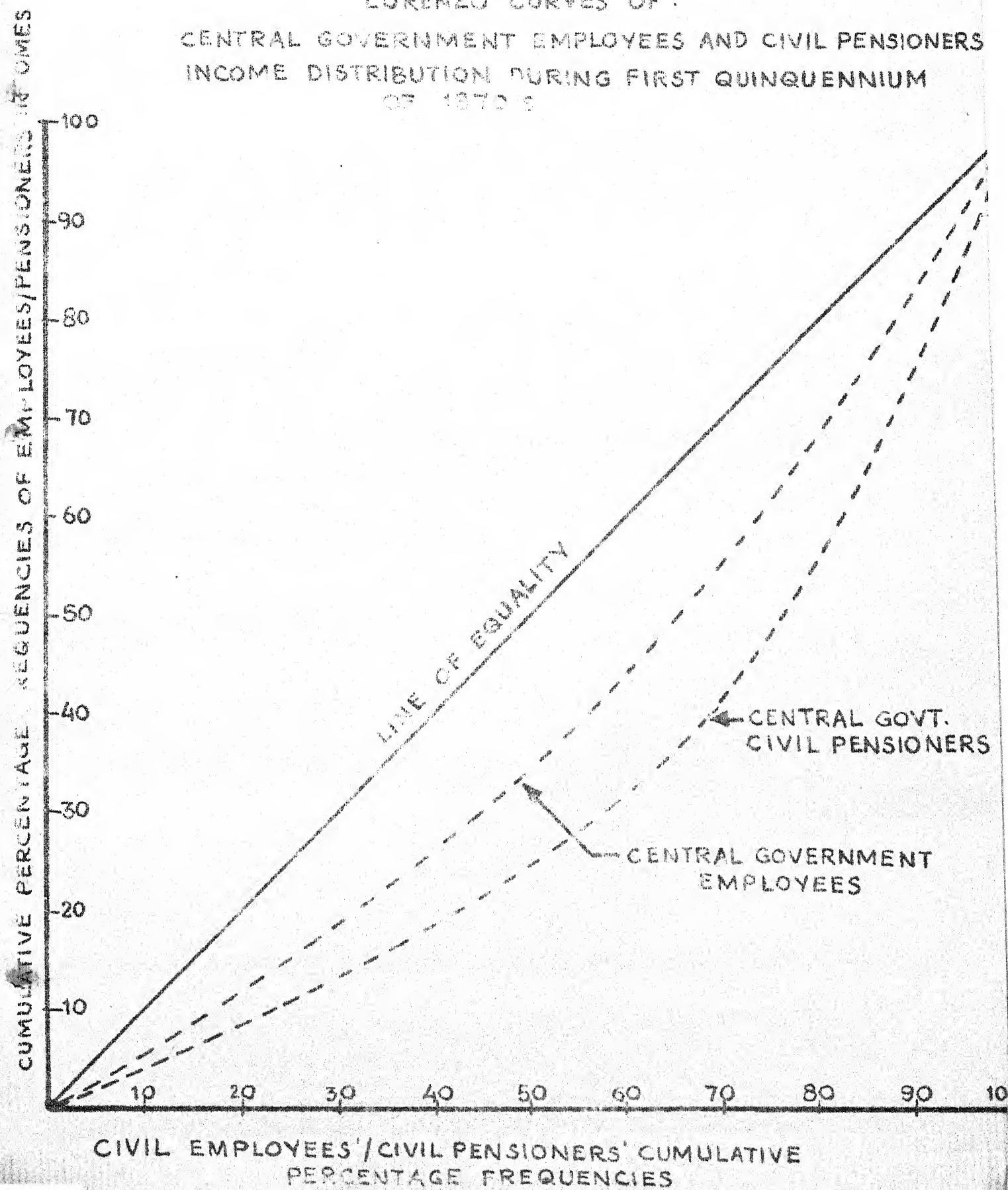
Sl. No.	Pay Range Rs.	Number & percentage of employees (F)	%age of c.f.	Pay income per month (Rs. million)	%age of col.5 (F)	%age (c.f.)	Pension Range Rs.	No. and %age of pensioners (F)	%age of c.f.	Pension income per month (Rs. million)	%age of col.11	%age of c.f.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
1.	Upto Rs.100 (100)	1895 (0.07)	0.07	0.19	0.00	0.00	X upto Rs.100 X (100)	67,805 (19.10)	19.10	6.78	7.32	7.32
2.	101-200 (150)	18,48,702 (64.70)	64.77	277.30	49.80	49.80	X 101-200 X (150)	1,21,055 (34.10)	53.20	18.16	19.98	27.30
3.	201-300 (250)	5,72,085 (20.01)	84.78	143.12	25.00	74.60	X 201-300 X (250)	86,250 (24.30)	77.50	21.56	23.30	50.60
4.	301-400 (350)	2,34,844 (8.29)	93.07	82.90	14.50	89.30	X 301-400 X (350)	58,220 (10.50)	38.00	20.04	22.00	72.60
5.	401-500 (450)	98,204 (3.43)	96.50	44.20	3.00	97.30	X 401-500 X (450)	20,945 (5.90)	93.90	9.43	10.00	82.60
6.	501-4000 (1500)	99,806 (3.50)	100.00	15.97	2.70	100.00	X 501-1000 X (750)	21,655 (6.10)	100.00	16.24	17.40	100.00
	Total :	2,86 (100.00)	563.68	100.00	-	-	X Total : 355,000	-	-	92.21	100.00	--
				X 12						X 12		
				6764.16						1106.52		
				(Annual)						(Annual)		

Notes : (1) Figures in brackets in col.2 and 8 indicate mid-values (or mode value) of the income/pension brackets.  
 (2) Figures within brackets in col.3 and 9 indicate percentages.  
 (3) Figures in col.4,7,10, and 13 show cumulative percentages of employees/pensioners and incomes.  
 (4) Annual disbursement of pensions of civil pensioners amounts to about Rs.1106 millions and that of salaries of the central civil employees amounts to Rs.6764 millions. (The figures here are only approximations statistically). It may be stated that the approx. pension cost estimated for 1976-77, at about Rs.1500 millions (including that for Defence Forces retirees).



GRAPH - 5 - 01

LORENZO CURVES OF :  
CENTRAL GOVERNMENT EMPLOYEES AND CIVIL PENSIONERS  
INCOME DISTRIBUTION DURING FIRST QUINQUENNium  
OF 1970's





as the dearness compensation rate for pensioners is one-half of the compensation given to the employees in the face of the one-third size of the employees pay. Again, no house rent allowance or city compensation allowance are given to the pensioners. Nor 'the benefit of equivalence', overtime, accrues to the pensioners with the revisions upwards in the grades (by the Pay Commissions) of the same level of employees from which retirees left the government employment. Above all the sequential inflationary spirals erode the real value of the pensions granted a couple of decades ago.



5.27 The aged population (including the government pensioners) in India earlier was a part and parcel of the joint family; and the latter stood by the aged through thick and thin and the 'able' as well as 'younger' members of the family looked to the aged for words of wisdom which was tempered with mature advice. The aged also engaged themselves - in participating in household work according to their likes and physical capacity. Reliance on doles from the governmental agency or charitable trusts was usually shunned off except when it was inevitable. But with the migration to urban areas and the growth in industrial employment the alliance between the members of the family became paper thin and mutual help amongst themselves or between the unemployed aged and bread-winning earners began vapourising. In the advanced industrial countries a well-woven social security system has been in vogue for more than three decades /for the sick, unemployed and the aged; and with the passage of time it improved in content and quality. The developing countries could initiate the social security for some segments of the population and that too, in a way, cannot provide all the essentials of social security. In India, for over a century all the public sector organisations (Central, State and local Government) could provide some essentials of pension grants (including gratuity, family pensions, commuted pensions etc. with the passage of time) or the contributory provident fund benefits to their employees who rendered certain years of regular service. But no worthwhile system of private pensions or occupational pensions for the aged <sup>did</sup> develop.

5.28 However, since about two decades (that is, from 1957 and after) some of the State Governments started announcing the grant of old-age pensions to domiciled citizens in their territories if they are 65 or 70 years or more in age and "destitute". (See Table 5.03)

5.29 Social Security System established by legislatures of the Centre or the States in India, in the organised industrial

Table 5.03 : The Old Age Pension Schemes announced by the States

Name of the State	Year of the Old-age pension Scheme
1.	2.
1. Uttar Pradesh	1957
2. Tamil Nadu	1962
3. Kerala	1960
4. Andhra Pradesh	1961
5. Karnataka	1964
6. West Bengal	1964
7. Rajasthan	1964
8. Punjab	1968
9. Haryana	1969
10. Himachal Pradesh	1969
11. Chandigarh	1969
12. Delhi	1975
13. Andaman & Nicobar Islands	Uniform and destitute
14. Goa, Daman & Diu	to destitutes
15. Jammu & Kashmir	Aug. 1976 (for 65 years & above)

sectors in essence help the people in 'old age' and the financial cost is borne jointly by some schemes financed by the workers and employers or through levy. These Schemes are : (1) Employees State Insurance Scheme; (2) Employees Provident Fund Scheme; (3) Coal Mines Provident Fund Scheme; (4) Assam Tea Plantation Provident Fund Scheme; (5) Coal Mines Welfare Fund Scheme; (6) Mica Mines Welfare Fund Scheme; (7) Maternity Benefits Scheme; (8) Unemployment (Retrenchment and lay-off compensation Scheme; (9) Plantation Labour Welfare and Fund Scheme; (10) Industrial Fatal Accidents Scheme; (11) Industrial Housing Scheme; and (12) Schemes for Government Employees.

5.29 The foregoing background account of the basic material available for casting a research design, a review of various research designs used by various studies done in India on the pensioners/aged, and other relevant information gives a well-rounded picture of the task involved, in regard to the universe, sample-size and the applicability of Pension Rules & Regulations for the Central Civil employees - as also that about the generalised old-age pensions instituted in various states during the last two decades. With this infrastructure, empirical and analytical boundary conditions will guard against making inconsistent inferences and interpretations.

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Summary

1. Article 41 of the Indian Constitution lays stress on the 'effective provision' and protection against 'old age'. But so far in quite many cases, arbitrary delays in the settlement of pension/provident funds, and payment to the beneficiaries cause an array of harrassments - and these make a 'mockery' of 'effective provision'. This aspect calls for examining the social, economic, psychological and administrative problems; accordingly, the specific main aims of the project are: (i) to estimate the magnitude and size of the pensioners under the existing laws, regulations and orders possibly project the possible increases in the magnitude by the end of the century; (ii) to examine the existing policies, statutes and programmes and see whether these cover and are flexible enough to bring within their fold the rapidly expanding number of employees in the public and private sectors so as to provide effective assistance for the aged in the context of industrialisation of the economy and disruption of security under family auspices; and (iii) to examine the organisation and procedures for the settlement and disposal of pension cases and regular payment of pension without harrassment to the claimants. There are some secondary objectives, hypothesis and their elaborations.
2. The universe of the study is the civil pensioners of central Government Departments in Delhi - with main focus on socio-economic problems. Accordingly, revised five objectives have been listed - in which two new insertions are : (a) to find out the physical, emotional, and social problems of pensioners with a view to suggesting measures for remedying these; and (b) to explore the possible role the pensioners can play in community life and rendering social services.
3. Estimated ~~total~~ of Central employees on January 1975 may have been about 3.16 millions of which pension opting could be 2.6 millions (or 84 per cent), - and the Central pensioners are 1.15 millions; 0.75 millions are defence pensioners; and 0.355 million central civil pensioners; thus the proportion of total pensioners is 37 per cent of the central employees. The technological ratio between Central civil pensioners and Central civil employees is 0.137 (or 13.7 per cent).
4. The universe of civil pensioners, in Delhi, in 1975 was about 45,000 - which forms about 14 per cent of the total central civil pensioners (that is, 0.355 million) as against the central Government employees in Delhi Union Territory forming only 8 per cent of the total central employees; this gives a "co-efficient of concentration" of civil pensioners percentage/central



employees percentage of 1.8. Delhi has a canvass with all the spectrum of the country's people - who hail from Northern, Southern, Eastern and Western regions/States of the country - though it is true that Northerners' proportion is bound to be overwhelmingly high over 80-90 per cent; nonetheless Northerners proportion is large because a very high percentage of Class III and IV employees are often from local and neighbouring regions/States. Delhi City's civil employees are the highest at 6.8 per cent amongst the metropolitan cities.

5. A sample of 1000 respondent pensioners form about 2.22 per cent of the universe of 45,000 central civil pensioners in Delhi and 0.014 per cent of 0.355million total central civil pensioners carved out of the sample. Based on the fact that the employees in different grades of pay, when retiring would have a maximum pension around 37.5 per cent or 41.25 per cent of the last average pay - and on an assumption it can be averaged to nearly one-third of the average pay; according scales of equivalence are made.

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Annex 5.01

GOVERNMENT EMPLOYEES IN DIFFERENT STATES OF INDIA

At the end of  
financial year

1. Assam	79,880	1971
2. Andaman & Nicobar Island	22,443	1973
3. Arunachal Pradesh	10,225	1973
4. Andhra Pradesh	1,67,459	1970
5. Bihar	2,44,590	1971
6. Delhi	46,470	1971
7. Goa, Daman & Diu	15,340	1972
8. Gujarat	1,18,646	1970
9. Haryana	1,23,133	1973
10. Himachal Pradesh	65,252	1971
11. Meghalaya	9,585	1972
12. Manipur	21,622	1973
13. Nagaland	44,734	1971
14. Pondicherry	10,658	1972
15. Punjab	1,72,803	1971
16. Rajasthan	2,21,965	1973
17. Tamil Nadu	5,43,190	1972
18. Tripura	26,202	1970
19. Uttar Pradesh	5,61,559	1972
20. Kerala	1,51,280	1961
21. Madhya Pradesh	3,43,362	1969
22. West Bengal	2,85,208	1971
23. Maharashtra	2,88,233	1966 (July)
24. Orissa	1,48,796	1967 (March)
25. Karnataka	2,85,805	1973

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Number of Pensioners under the Ministry of Defence and their distribution according to type and income ranges as on January 1, 1975

Sl. No.	Civil & Defence Pensioners Income Groups	Commissioned Pensioners	Family Pensioners	No. of civil-ians	Civilian Family Pensioners	Min. C.O's, CFS etc. incl. Min. C.O's Inam Holders	Services Disabled	Family Pensioners	Total
1.	2.	3.	4.	5.	6.	7.	8.	9.	10
I.	0-100	211	4,785	28,456	13,224	3,92,390	1,15,698	1,26,394	6,81,450
II.	101-200	571	1,902	6,436	1,943	59,610	13,704	18,047	1,02,240
III.	201-300	871	876	2,162	133	8,102	2,355	1,304	15,804
IV.	301-400	889	329	1,042	-	264	34	44	2,602
V.	401-500	1,181	176	583	-	-	3	-	1,943
VI.	501+	6,482	310	230	-	-	-	-	7,022
Total :	10,205	8,378	38,909	15,300	4,60,366	1,31,794	1,45,789	8,11,061	*

\*This figure also includes C.C.G.S. Pensioners numbering 320.



A Technical Note on the Sample Size

The universe of pensioners in Delhi (numbering about 45,000) represents nearly 14 per cent of the total central civilian pensioners. Hence, a sample of 1000 respondent pensioners forms little over 2.22 per cent of the universe and 0.028 per cent of the total civil pensioners (numbering 3.55 lakhs).

The distribution of 45,000 civil pensioners by income brackets of the pensioners' incomes, no doubt, is an important exercise under the study where the average monthly pension, given by the sample (m) works out to Rs.222/- and the resultant 'standard error' is of Rs.10/-. The co-efficient of variation of the mean, i.e.  $\frac{\sigma}{\bar{x}} \times 100$  expressed as percentage is only 4-5 per cent. The low margin of error, confirms that the sample is fairly homogeneous and representative of the pensioners' population. The sample size of 1000 pensioners is thus quite sufficient to emit an efficient estimate of the variables that are to be examined.

The highest concentration of pensioners was in the monthly income range of Rs.101-200 followed by pensioners in the monthly income ranges of Rs.201-300 and Rs.51-100. The 'median' and 'mode' of the income distribution of pensioners also fall in the monthly income range of Rs.101-200.

From the low sampling fluctuations of central civil pensioners, in Delhi, it can be presumed that the pattern of distribution of central civil pensioners scattered all over India, approximately numbering 3.55 lakhs, will still be perhaps more homogeneous and representative as regards the distribution of such pensioners. Accordingly, the co-efficient of variation will still be lower. Hence, the conclusions drawn on the basis of this survey in respect of central civil pensioners, in Delhi, will in all probability be largely valid for the central civil pensioners elsewhere in India.

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$$\frac{1}{m} \sqrt{\sum x^2 - \frac{(\sum x)^2}{m}} ; \quad \sigma = \frac{\sum (x - \bar{x})^2}{n}$$

R.K. Puram and Tees Hazari Treasury  
Distribution of Pension-income brackets  
for Disbursement of pensions on different  
dates in a Month

I. R.K. PURAM TREASURY (Treasury Officer : Shri Pandit)

<u>Income Group</u>	<u>Dates</u>	
1. Rs. 30-140	1st and 2nd	
2. " 141-275	3rd and 4th	
3. " 276-400	5th and 6th	90% come from
4. " 401 and above	8th and 9th	pensions to the
5. Rs. 51 and above(ladies)	7th	Treasury
6. All those under (1) to (5) missing the dates can come	20th and 21st	
7. New Pensioners	Dates assigned	10% individually.

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II. Tees Hazari Treasury (Treasury Officer : Shri R.C.Jain)

1. Upto Rs. 100	1st and 2nd
2. Rs. 101 - 200	3rd and 4th
3. above Rs.200 & ladies	5th and 6th
4. Freedom Fighters	8th
5. Old persons in Delhi	9th
6. New Pensioners	10th
7. Those who could come on earlier dates	11th and 12th
8. New Pensioners	13th and 14th
9. Pensioners with less than Rs.150 and any group	18th - 25th

Annex 5.05

Years served as a Central Civil Employee  
by 1000 sample pensioners

Years served	No. of pensioners	Proportion
1.	2.	3.
Upto 10 years	7	0.70
10 - 15 "	12	1.20
15 - 20 "	40	4.00
20 - 25 "	98	9.80
25 - 30 "	169	16.90
30 - 35 "	326	32.60
35 years and Over	286	28.60
No response	62	6.20
Total :	<u>1000</u>	<u>100.00</u>



CHAPTER VI

VI. Pensioners and their Income Classes, Age as Pensioners, Educational levels, Knowledge of Pension Rules, Delay in Pension Sanctions, etc.

Sex and Marital Status

6.01 Out of a sample of 1000 retired pensioners, 89.5% are males and only 10.5 per cent are females; these proportions are, however, not proportional to the sex-distribution of regular central government employees which is 97.4 per cent and 2.6 per cent for males and females respectively. For purposes of analyses, all the other variables have been related to the income-groups of the pensioners which have been divided into six income brackets; (1) Upto Rs.100p.m.; (2) Rs.101-200; (3) Rs.201-300; (4) Rs.301-400; (5) Rs.401-500; and (6) Rs.501 and above. Accordingly, the proportions of the <sup>sample</sup> pensioners in the six income brackets are : 19.1 per cent; 34.1 per cent, 24.3 per cent; 10.5 per cent; 5.9 per cent and 6.1 per cent respectively.

6.02 For societal and social education and occupation characteristics of each of the income brackets proportional distribution of males and females, is indicated in Table 6.01. In the pensioners' sample, the proportion of the females (including family pensioners) is 10.5 per cent and that of males, 89.5 per cent. It appears that the income-distribution in between the female pensioners is less egalitarian than that of the male retirees because only about 50 per cent of male pensioners are in income brackets I and II whereas amongst the women pensioners the proportion is as high as 94 per cent in these two brackets. In regard to marital status, it emerges that the highest proportion of the married is in income bracket V; but income-wise general trend is : higher the income bracket, higher is the proportion of the married - with a little aberration / decline in the trend from bracket V to VI. Regarding widowhood, it appears that lower the income bracket the higher is the proportion of widow/widower - beginning from bracket I at 40.8 per cent and going down to 5.1 per cent in bracket V. Incidentally, it also flows from the foregoing that the proportion of "family pensioners" is, in consequence, higher

in lower brackets. Here, as a parenthetically it may be observed that out of 105 women pensioners - 96 are family pensioners and only 9 are the retire pensioners in the sample of pensioners.

Age Classification of the Pensioners 6.03 Though the prescribed age-group for retirement ranges between 55-65 years, there are cases where the pensioners retired at earlier ages as well either because of ill-health, or on account of compulsory/voluntary retirement. Also, consequent to the operation of rules - in some specific

Table 6.01 : Distribution of Sample Pensioners according to income brackets sex and Marital Status

Sl. No.	Group No.	Income bracket	Total No. of pensioners	Sex		Marital Status		
				Males	Females	Married	Widow/ Widower	Separated
1.	2.	3.	4.	5.	6.	7.	8.	9.
1.	I	Upto Rs.100	191	144	47	105	78	8
		%	(100.00)	(75.4)	(24.6)	(55.0)	(40.8)	(4.2)
2.	II	101 - 200	341	293	48	280	53	7
		%	(100.00)	(85.9)	(14.1)	(82.1)	(15.5)	(2.1)
3.	III	201 - 300	243	236	7	221	19	3
		%	(100.00)	(97.1)	(2.9)	(90.9)	(7.8)	(1.2)
4.	IV	301 - 400	105	104	1	93	9	3
		%	(100.00)	(99.0)	(1.0)	(88.6)	(8.6)	(2.9)
5.	V	401 - 500	59	58	1	56	3	NIL
		%	(100.00)	(98.3)	(1.7)	(94.9)	(5.1)	(0.0)
6.	VI	501 & above	61	60	1	52	7	2
		%	(100.00)	(98.4)	(1.6)	(85.2)	(11.5)	(3.3)
		Total	1000	895	105	808	169	23
		%	(100.00)	(89.5)	(10.5)	(80.8)	(16.9)	(2.3)

Note : Figures in brackets show percentages horizontally in relation to totals in col.4 for various income brackets as also for Marital status and the grand total.

Departments, such as, in Police, the Departments of Border Security Forces, Defence and Railways civil employees retire at ages earlier than 55 years or even below 50 years.

6.04 In a sample of 1000 respondent pensioners (see Table 6.02), 71 pensioners (or 7.1 per cent) are below 50 years

204 (or 20.4 per cent), between 50-60 years; 578 (or 57.8 per cent), between 60-70 years; 121 (or 12.1 per cent), between 70-80 years; 20(2.0%)above 80 years; and 6(0.6 per cent) did not respond. This also establishes that some of the pensioners, however, small they may be, survive by 30-35 years after retirement. The distribution of the pensioners into different age-groups holds 57.8 per cent of the sample pensioners (See Table 6.02)

/is bell-shaped with a certain degree of skewness and the mode age-group is 60-70 years which

Table 6.02 Distribution of Sample 1000 pensioners according to Income-brackets and age-groups

Sl. Income bracket		A G E G R O U P					Total	
No.		Below 50 years	50-60 years	60-70 years	70-80 years	80years & above res- ponse	No res-	
1.	2.	3.	4.	5.	6.	7.	8.	9.
1.	Upto 100 %	31 (16.2)	25 (13.1)	99 (51.8)	24 (12.6)	7 (3.7)	5 (2.6)	191 (100.00)
2.	101 - 200 %	35 (10.3)	53 (15.5)	195 (57.2)	47 (13.8)	10 (2.9)	1 (0.3)	341 (100.00)
3.	201 - 300 %	4 ( 1.6)	57 (23.5)	149 (61.3)	31 (12.8)	2 (0.8)	0 (0.0)	243 (100.00)
4.	301 - 400 %	1 ( 1.0)	25 (23.8)	65 (61.9)	13 (12.4)	1 (1.0)	0 (0.0)	105 (100.00)
5.	401 - 500 %	0	16 (27.1)	41 (69.5)	2 ( 3.4)	0 (0.0)	0 (0.0)	59 (100.00)
6.	501 & above %	1 ( 1.6)	28 (45.9)	28 (45.9)	4 ( 6.6)	0 (0.0)	0 (0.0)	61 (100.00)
	Total	72 ( 7.1)	204 (20.4)	577 (57.8)	121 (12.1)	20 (2.0)	6 (0.6)	1000 (100.00)

6.05 According to the income brackets, the 'younger pensioners' (that is, in the age-group below 50 years), proportion is highest in bracket I (16.2 per cent) - being followed by bracket II (10.3 per cent), bracket III and VI (1.6%) and in bracket IV (1.0 per cent). In the next elderly age group-'50-60' years the proportion of income bracket VI is the highest (45.9 per cent) - declining downwards to 27.1 per cent in bracket V; 23.8 per cent in bracket IV, 23.5 per cent in bracket III; 15.5 per cent in bracket II; and 13.1 per cent in bracket I.



In the next higher elderly group '60-70 years', the composition is structurally disturbed - it indicates importance to bracket V where the proportion goes upto 69.5 per cent - followed by Group IV at 61.9 per cent; Group III at 61.3%; Group II, 57.2 per cent and Group I, 51.8 per cent; <sup>per cent.</sup> whereas, sinks the proportion for the bracket VI at the lowest to 45.9%.

In another upward group of senior citizens of '70-80 years', another surprise comes that income bracket V has the lowest proportion of 3.4 per cent followed by bracket VI at 6.6 per cent but the lower income brackets - I, II, III and IV range in proportions between 12.4 - 13.8 per cent. Nevertheless, the age-group of seniormost pensioners '80 years and above' is topped by pensioners of lowest income bracket I (3.7 per cent) followed by Group II (2.9 per cent) and Group III and IV (about 1 per cent) with award of 'blanks' for Groups V and VI. Underlying the mechanism of the structural variations occurring in the proportionalities of the old-age groups vis-a-vis income brackets and vice versa tend, perhaps to establish that mental workers<sup>1/</sup> (who are relatively more in high-pension-income groups) have a sizeable longer proportion at earlier stages. The proportions relatively sink to lower levels in later stages of age-groups. On the other hand, the low income brackets (who are relatively, more of physical workers) at the later stages - particularly in the age-group of '80 years and above'<sup>2/</sup> survive better than the high-income mentally advanced pensioners because the physical hard work in the former injects in them more resistance power to physical onslaughts of illness than it is possible in case of mental workers with softer physical health. (For details see Table 6.02)

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1/ Nearly 92 per cent of the 'mental workers' within the highest income bracket of Rs.501 and above in the age groups of 50-60 years and 60-70 - almost divided into frequencies of equivalence between the aforesaid two age-groups (see Table 6.02). These 'mental workers' also put more burden on their mental faculties - while they are students; as well as in active life and thereafter also there is lesser and lesser exertion on physical parts of the body and that makes them prone to be physically vulnerable.

2/ See Vertical Col.7 of Table No.6.02

6.06 Table 6.03 shows the educational levels that the pensioners of different income groups had acquired before entering Government service or during the government employment. Also their distribution according to technical/professional education<sup>3/</sup> is shown under vertical columns - 11 and 12. It is obvious that the proportion of post-graduate and technical qualifications are at a high level in case of the incumbents who have pension income-bracket VI. However, the proportions in the income groups IV and V of graduates are relatively higher than in Group VI; perhaps it is because the graduates in income brackets IV and V<sup>are</sup> at lower ranks qualitatively as compared to the qualitative higher ranks in Groups VI. In income bracket I, proportions of the illiterates is as much as 24.6 per cent and only 2 per cent are graduates and less than 30 per cent achieved educational levels 'upto matric and above' - and this includes 2 per cent as graduates. Highest proportion (54.8 per cent) of the matriculates is in the income bracket II followed by Group III, IV V and VI respectively at 42.3 per cent, 27.6 per cent, 18.6 per cent and 13.1 per cent; and the intermediate proportion is highest for income-bracket III at 16.00 per cent. The number of pensioners with Post-Graduate qualification was 20 in income-bracket VI - being 32.8 per cent of the total 61 pensioners in this bracket; 28 <sup>or</sup> (45.9 per cent) were graduates. The number and proportions (within the same bracket) declined according to brackets sequentially highest being <sup>for</sup> bracket VI, followed by 9 (or 15.3 per cent), in bracket V; 12 (or 11.4 per cent) in bracket IV; 16 (or 6.6 per cent), in bracket III, and 7 (or 2.1 per cent) in bracket II, and none in bracket I.

6.07 Since over 60 per cent of the pensioners had education only upto matriculation (including the illiterates, primary and middle level education), it is possible that a large number of the Government servants/pensioners/ would be pensioners

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<sup>3/</sup> A large number in brackets lower than Group bracket, might be only certificate or Diploma holders - in various technical or professional educations.

Table 6.03 : Sample Pensioners' Levels of Education (including Technical and Professional) according to their Income-brackets (0.8 and 19)

Sl. No.	Educational Levels	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
Income Brackets		Illiterate	Primary	Middle	Metric	Intermediate	B.A/B.Sc.	Post-Graduate	Total	Technical	Non-Technical
I	Upto Rs.100	48 (24.6)	45 (23.6)	42 (22.0)	45 (23.6)	6 (3.6)	5 (2.0)	0	191 (100)	15 (8.0)	176 (92.0)
II	Rs. 101 -200	17 (5.0)	11 (3.2)	46 (13.5)	187 (54.8)	34 (10.0)	39 (11.4)	7 (2.1)	341 (100)	33 (10.0)	308 (90.0)
III	" 201 -300	1 (0.4)	3 (1.2)	7 (2.5)	104 (42.8)	39 (16.0)	73 (30.0)	16 (6.6)	243 (100)	31 (13.0)	212 (87.0)
IV	" 301 -400	0 (-)	1 (1.0)	0 (-)	29 (27.6)	9 (8.0)	54 (51.4)	12 (11.4)	105 (100)	22 (21.0)	83 (79.0)
V	" 401 -500	0 (-)	0 (-)	0 (-)	11 (18.6)	7 (11.9)	32 (54.2)	9 (15.3)	59 (100)	17 (28.9)	42 (71.2)
VI	" 501 and above	0 (-)	2 (3.3)	0 (-)	8 (13.1)	3 (4.9)	28 (45.9)	20 (32.8)	61 (100)	13 (21.0)	48 (79.0)
Grand Total		66 (6.6)	62 (6.2)	95 (9.5)	384 (38.4)	98 (9.8)	231 (23.1)	64 (6.4)	1000 (100.0)	131 (13.1)	869 (86.9)



are not familiar and less well-versed in respect of the pension rules and the procedures that have to be pursued. Aforesaid is also possible, though in lesser degree, in case of those who acquired education upto intermediate or ~~even~~ B.A./B.Sc. with lower grade or also those whose pension levels are 'Rs.300 or below'. Such income groups, and education groups will be more than three-fourths. Again, amongst income Groups IV, V and VI (as also those who have post-graduate degrees and also technical degrees) a certain proportion of the government employees/pensioners, may have to get briefing from the administrative officers or accounts officers in respect of pension rules and procedures to expedite pension sanctions. In view of this background, it was thought relevant to conduct inquiry in respect of these issues with 1000 sample pensioners; in this context it was also considered meaningful to cull out information from the opinions of the pensioners in regard to any difficulties/delays etc. in receiving the pension sanctions without inconveniences or repeated visits to various concerned officers of the Government. So also whether the government servants - knowing fully well that they have to retire some day make preparations pretty in advance to face pension-status when the income could sink to about 'one third suddenly - almost overnight - and they might as well feel vacuum and confront idle hours and find it difficult to use or pass time and sometimes a decline in social prestige, respect in the family and from the erstwhile colleagues - senior equals and subordinates.

6.08 It is revealing from the data in Table 6.04 that 56.6 per cent of the 1000 of sample pensioners did have knowledge about pension 'rules and procedures' to invoke. Again, <sup>only</sup> 18 per cent did know the rules and procedures in income Group -I; 49 per cent in Group II; 73 per cent in Group III; 81 per cent in Group IV; and even in Groups V & VI the knowledge was tacit for <sup>of pensioners</sup> around 86-89 per cent. The consciousness about the 'things to come was more correlated to higher income groups and also to the higher levels of education. But even those who had the

Table 6.04 : Knowledge of Pension Rules and Procedures, Advance Preparation for Retirement, Delay in sanction of Pension (Q.11-12 & 19)

Sl. No. of Rules etc. Income-Groups	Knowledge of Rules		Advance preparation for Retirement		Preparation in advance according to period Less than 3 months 3 - 6 months 6 - 12 months Over a year					Total
	Yes	No	Yes	No	7.	8.	9.	10.	11.	
I. 191 (19.10)	34 (18.0)	157 (82.0)	30 (16.0)	161 (84.0)	10 (33.33)	14 (46.67)	5 (26.67)	1 (3.33)	30 (100.00)	
II. 341 (34.10)	167 (49.0)	174 (57.0)	120 (35.0)	221 (65.0)	20 (16.67)	58 (48.33)	35 (29.17)	7 (5.83)	120 (100.00)	
III. 243 (24.30)	177 (73.0)	66 (27.0)	132 (54.0)	111 (46.0)	23 (17.40)	64 (48.80)	36 (27.30)	9 (6.80)	132 (100.00)	
IV. 105 (10.50)	85 (81.0)	20 (19.0)	70 (67.0)	35 (33.0)	10 (14.30)	32 (45.70)	23 (32.85)	5 (7.15)	70 (100.00)	
V. 59 (5.90)	51 (86.0)	8 (14.0)	44 (75.0)	15 (25.0)	5 (11.30)	19 (45.20)	13 (29.50)	7 (16.00)	44 (100.00)	
VI. 61 (6.10)	54 (88.5)	7 (10.5)	44 (72.0)	17 (28.0)	10 (22.7)	12 (27.20)	19 (43.20)	3 (6.90)	44 (100.00)	
Total: 1000 (100.00)	556 (56.6)	432 (43.2)	440 (44.0)	560 (56.0)	78 (17.8)	199 (45.20)	131 (29.70)	32 (7.30)	440 (100.00)	

Note : Figures within brackets denote percentages either horizontally or vertically.

knowledge of rules and procedures for the 'second life' in the existence of pensioners, no advance preparations were made by them and if made, these were made late when most of them had only about a year or lesser period to retire. For example, only 17.8 per cent of the sample pensioners prepared only three months ahead of actual retirement, 45.2 per cent within 3-6 months of retirement; 29.7 per cent, 6-12 months ahead; 7.3 per cent, over a year. In the aggregate only 440 pensioners (or 44 per cent) made advance preparations and even these were not dutiful to their interests in good time (for details see Table 6.04). Proportions of non-preparations were in the inverse relation to the income levels; 84 per cent for income-group I; 65 per cent for income Group II; 46 per cent for Group III; 33 per cent for Group IV; and between 25-28 per cent for Groups V and VI.

6.09 In view of the aforesaid ignorance regarding rules and procedures of about 44 per cent pensioners and no advance preparations by 56 per cent pensioners and neglect in initiating action in good time <sup>years ahead</sup> say of 3-5 / were the hinderances in the timely sanction of pensions - though the existing rules require both of the departments and prospective pensioners to initiate action 18 months ahead of retirement. It is recommended that 5 years ahead of retirement, the government employees should be given a reorientation course in the different departments about the pension rules and procedures and they should be given information and concessions for rehabilitation in the new way of life which can make the life of the pensioners meaningful, enjoyable and complementary and coherent with the younger age people both in the family and the community.

6.10 Arising out of lower level of education, among the low income levels, less of 'know-how' about pension rules and procedures as also absence of timely preparations to retire and initiate action by a majority of pensioners in this regard impinge against the interests of the pensioners themselves.



They face the cruel situation, such as, non-payment of gratuity (DCRG Benefits), late sanction of pension and resultant accumulation of arrears in pension receipts at a time when their regular income has chronically thinned down. Nearly 590 pensioners (59 per cent) out of a sample of 1000 got their pensions late ranging from 3 months to three years; rest of the number, however, got the sanctions within 3 months of retirement. In case of delay in sanction the delay was more for higher income groups perhaps because they had held more jobs and more often vertical and geographical movements on the service ladder. The low income groups did not, in general, have either vertical or horizontal or geographical mobility and this did not create much of difficulty in finalising the cases; yet the rust on the facility to accelerate movement in their case was thicker because of limitations of education, knowledge and influence with those who are the pen-pushers and these did cause delay. Cumulative proportions for the clearance of the pension cases out of the 1000 sample pensioners within the calendar year as well as within one full year in case of all the income groups reached between 82-86 per cent. Nonetheless, the remaining 14-18 per cent of the sample pensioners faced the 'critical woes' of the pensioners since trail of non-sanction ranged from 1-3 years and above; such cases (about 195) cause or caused disarray, disillusion and like a corpse in the public place (and so also for the public policy for pensioners) throw a volley of brickbats, condemnations and allegations due to lack of humanitarian attitude ingrained in red-tapism. The delayed cases were more for higher income brackets, for example, 82 per cent were in Group VI; 79 per cent, in Group V; and 78 per cent for Groups III and 74 per cent for Group I and II - though it is true for Group IV the percentage was lower at 65 per cent/<sup>who</sup> could get their cases within the same calendar year. The causes of delays should be nipped in bud at the earliest; and the governmental system also needs stream-lining in this regard.

**Table 6.C5 :** Causes/difficulties of delay from "3 months to 3 years and above" in getting sanction of the pensions

Causes of delay	No. of difficulties faced by pensioners
1.	2.
1. Loss of Records/ Incomplete records	58 (10.5)
2. Attitude of dealing staff	106 (19.4)
3. Rules & procedures	111 (20.00)
4. Departmental delays	208 (37.8)
5. Treasury	8 ( 1.5)
6. Employees own lapses	16 ( 3.0)
7. Miscellaneous factors	45 ( 8.3)

552  
(100.00) faced by 195 pensioners

6.11 The factors of bottlenecks and obstacles for delay may be attributed both to the prospective pensioners as well as the governmental departments, treasuries, etc. Specifically the delays could be/and were on account of (i) loss of records/incomplete records; (ii) attitude of the dealing staff in the AGCR; (iii) departmental delays; (iv) Treasury for L.P.C. and Pension Disbursing Agency for giving data for the first pension bill, gratuity and commuted pension; (v) Pensioners' own lapses; (vi) ignorance of rules etc. The sample pensioners who faced delays of more than '3 months to 3 years" were 552. Out of this number 58 (or 10.5%) were delayed because of loss of records; 19.4 per cent due to attitude of dealing staff; 20 per cent due to ignorance of rules and procedures; 37.8 per cent on account of departmental delays; 1.5 per cent due to Treasury and about 3.0 per cent due to employees' own lapses and rest of the 8.3 per cent, on account of various miscellaneous reasons. Table 6.06 summarises in some respects



the reasons mentioned by the pensioners. Also an analysis of the causes of delays as tabulated by the Office of the Accountant General, Posts & Telegraphs on this account is given in Annex 6.01.

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Summary

1. Out of 1000 ~~retired~~ pensioners, 89.5 per cent are males and 10.5 per cent females - which is not proportional to the sex-distribution of them as regular central Government employees - the latter being 97.4 per cent and 2.6 per cent. The societal, social, educational and occupational characteristics of the pensioners, according to sex, are distinctive; including women family pensioners - the females ratio comes upto 10.5 per cent from 1 per cent - and goes down to 89.5 per cent from 99 per cent in case of males. The pension income distribution of female pensioners is more egalitarian than that of the male retirees; the highest proportion of the married women is in the income-bracket V - though the income-wise general trend is : higher the income bracket, higher is the proportion of the married - with a little 1/2 of the trend for income brackets V and VI; higher is the widowhood with lower income bracket;

aberration

2. Civil pensioners' prescribed retirement age is 55-65 years, but there are cases of earlier retirements due to ill-health and/or compulsory retirement - and also in the departments of Police, Defence, Border Security Forces and Railways earlier than 55 years or even below 50 years - their proportion is 7.1 per cent of the sample 1000 pensioners. Age distribution of pensioners is bell-shaped with a certain degree of skewness; however, the 'mode' age-group of the pensioners is 60-70 years (with a share of 57.8 per cent). According to income brackets age-wise, the younger pensioners' (50 years and below) abound in the lowest income bracket I and 16.2 per cent in the next age-group (50-60 years), the proportion is highest in income bracket IV - 45.9 per cent; in the next age-group (60-70 years) 1/2 is provided to income-bracket V - 69.5 per cent; in the senior age-group (70-80 years) the marks go to lower income brackets with proportions ranging between 12.4 - 13.8 per cent. It perhaps establishes that mental workers (who are more in high-pension-income brackets) have a sizeable larger proportions at earlier stages of age-groups, and the proportions sink relatively to lower levels in later stages of age-groups. On the other hand, the low-income

importance



brackets (which consist more of physical workers), at the later stages - and more particularly in the age-group '80 years and above' survive better than the high-income mentally advanced pensioners - because the physical hard work in the former injects in them more resistance power to the physical onslaughts of illness than it is possible in case of mental workers with softer physical health.

3. Educational levels - particularly of post-graduate and technical variety at the time of entering in Government service - were higher of higher income bracket VI (that is, 'Rs.501 and over'); of graduate levels in income brackets IV and V; of matriculates in income brackets III, II and IV; and middle and primary level education plus illiteracy, was largely confined to income bracket I.

/brackets

4. The inquiry whether the Rules and Procedures described in Chapter IV were known to the pensioners while in service or at least few years before retirement; and according to their knowledge or ignorance of these rules, revealed that 56.6 per cent of the pensioners know the rules and procedures - but it was in a larger way for / III to VI where the proportions ranged between 73 -87 per cent; but even who had the knowledge of rules, did not make advance preparation for retirement; for example 17.8 per cent prepared only before less than 3 months of actual retirement; 45.2 per cent within 3-6 months before retirement; 29.7 per cent, 6-12 months ahead; and only 8.3 per cent over a year. Only 440 pensioners (or 44 per cent) made advance preparations, but even they were not dutiful to themselves about their interests in good time; the proportions of non-preparations were in inverse relation to income-levels; 84 per cent in income bracket I and 25-28 per cent in income brackets V and VI.

5. Nearly, 590 pensioners (or 59 per cent) got their pensions sanctions in periods ranging from 3 months - 3 years; rest of them, however, got the sanctions within 3 months of retirement. Delay in sanction was more for higher income brackets perhaps because of their holding more jobs and that too the movement was often vertical and geographical on the service ladder - as much as 82 per cent, in income bracket VI; 79 per cent, in income bracket V; 78 per cent, in income brackets IV and III; and 74 per cent for brackets II and I. But nearly 82-86 per cent of sanctions were consummated within a year or a shorter period; nonetheless, 14-18 per cent of the pensioners faced 'critical woes' since the trail of non-sanction ranged from '1-3 years and above' - causing disillusion and in public places,

condemnation and allegations against the inhumanitarian attitude of the red-tapism. The main causes for delay were due to loss of records, attitude of the dealing staff, ignorance of rules and procedures, departmental delays, Treasury lapses etc.

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Difficulties in getting (a) the sanction of the pension and (2) the remittances of pension and DCRG (as reported by the Accountant General, Posts & Telegraphs)

Type of difficulties with their sources	Nature of difficulties
1.	2.
1. Departmental	(a) Receipt of incomplete pension papers from the executive. (b) For want of information regarding the grant of provisional pension by the Head of the Office. (c) Non-finalization of Departmental cases.
2. Procedural	(a) Non-receipt of reply to Audit enfacement. (b) Cases of irregular retirement.
3. DCRG	(a) Non-payment of DCRG for want of recovery of Government dues. (b) Non-payment of DCRG in full for not vacating the Govt. quarters.
4. Treasury's lapses	(a) For want of L.P.C. and No Demand Certificate.
5. Employees' Own lapses	(a) For want of nomination in the case of deceased employees. (b) Due to involvement of employees in the fraud or loss cases.

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CHAPTER VII

VII. Pensioners' Distribution according to (1) Pension Disbursing agencies and (2) Income Brackets, Pension Features and Pensioners' Reactions

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7.01 For the 1000 sample pensioners, the disbursing authorities in Delhi were : (1) Treasuries : (a) R.K. Puram Treasury, New Delhi; (b) Tees Hazari Treasury, Delhi; and (c) Pay & Accounts Officer, New Delhi and (2) Post Offices : In all 900 sample pensioners drew pension from the Treasuries : (a) 800 directly from the treasuries; and (b) 100 indirectly from the treasuries - but through the banks - primarily through the State Bank of India and the Syndicate Bank; however, this does not exclude other banks which also provided this facility. The distribution of the disbursing agencies for the sample pensioners is presented below :

Table 7.01 : 1000 sample pensioners distribution according to pension disbursing agencies in Delhi

				<u>900</u>
<u>I. Treasuries</u>			<u>821</u>	
(i) <u>Officers (Retired)</u>				
(a) Drawing directly	730			
(b) Drawing through banks	<u>91</u>			
(ii) <u>Family Pensioners (of late Pensioners)</u>			<u>79</u>	
(a) Drawing directly	70			
(b) Drawing through banks	<u>9</u>			
<u>II. Post Offices</u>			<u>100</u>	<u>100</u>
(1) Officers (Retired)	83			
(2) Family Pensioners	17			
				<u>1000</u>

III. Total

Notes : (1) 800 Treasuries : 100 Banks : 100 Post offices  
80% 10% 10%  
(2) Officers : family pensioners  
904 96  
90.4% 9.6%  
(3) 895 Male Pensioners + 9 Female Pensioners +  
96 Family Pensioners = 1000

7.02 The above sample pensioners, according to their monthly pension income, are distributed as shown in Table 7.02. The pension income distribution is a broad reflection of the income distribution of regular central Government income-distribution while in employment with the government; almost analogous inequity exists - except that the ceiling for the pension used to be Rs.675 p.m. and now it is raised to Rs.1,000 p.m. following the acceptance by the government of the recommendation of the Third Pay Commission.

Table 7.02 : 1000 sample pensioners and their distribution according to six income-groups

Sl. No.	Income Group	Total No. of sample pensioners	Percentages
1.	2.	3.	4.
1.	Below Rs. 100	191	19.10
2.	Rs. 101 - 200	341	34.10
3.	" 201 - 300	243	24.30
4.	" 301 - 400	105	10.50
5.	" 401 - 500	59	5.90
6.	" 501 & above	61	6.10
Total :		<u>1000</u>	<u>100.00</u>

7.03 The above pensioners, as self-opted choice, have been ordinarily collecting the pensions either on monthly, bi-monthly, quarterly, half-yearly or at random. Nonetheless about 85.2 per cent of the sample pensioners are collecting the pensions with monthly periodicity; 7.5 per cent, bi-monthly; 5.6 per cent, quarterly; 0.7 per cent half-yearly; and 1.00 per cent at random time periodicity. Broadly, it indicates that about 15 per cent of the pensioners are not living in 'high and dry' financial conditions - though some of them in a financial difficulty, do not find it physically possible to negotiate distance to treasuries or post-offices every month or even at longer time gaps.

7.04 Pensioners when they have to collect their pension emoluments either from the treasuries or from the post-offices,

come across comparative conveniences or difficulties from different points of different factors. Nearly two-thirds of the sample pensioners, (66.9 per.cent) expressed that they face difficulties in collecting their pension in person. Types of difficulties they face are in regard to (a) long wait in the treasury/and also long time in regard to crediting in the accounts of those who collect through banks, (b) defective disbursing system, (c) shortage of staff strength in the treasury, (d) inefficient staff in the treasury (e) no facility while waiting as regards fans, benches, canteen, queuing system, call-system, etc. (f) transport facilities and the high cost of transport; (g) lack of proper management of required files and papers, in good time, at the treasury. Out of the two-thirds of sample pensioners 615 indicated difficulty in regard to (a):205 in respect of (b):49 in regard to (c):33 in regard to (d):108 in regard to (e):34 in regard to (f);and 6 in regard to (g).

7.05 Besides, the above physical difficulties which quite often be nerve-breaking, patience exhausting and irritating for the senior citizens, they also face the inadequacies in their pension - income to meet their expenses and difficulties in running the household, 95 per cent of the sample pensioners, stated that their incomes were inadequate; they therefore supplement their incomes by one or more of the following methods :

- (i) By doing part-time work or interest incomes on their past savings etc.;
- (ii) By reducing expenses on various items of consumption;
- (iii) Financial remittances from their sons/daughters; and
- (iv) Borrowing.

About 12 per cent have the way by first source; 27 per cent by economizing or reducing expenses; 29 per cent by getting remittances from sons/daughters; and 4 per cent by borrowing.

7.06 Earlier, a broad schematic Table<sup>1/</sup> has been presented

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1/ See also Table 5.02



which attempts to correlate all central Government employees salary distribution pattern with the pension distribution pattern of the pensioners. This, however, is a conceptual presentation which may always not be identical to the actual data; and more so, it may not fully operate in the context of data emerging from a sample survey. Normally, the pension amount rests on the length of regular service and the last average pay; but it is possible that the length of service by itself does not earn a high level of pension income, nor does high income earns a high pension when the length of service is relatively short. Therefore, the pension may be much below 37.5 per cent or 41.25 per cent of the last average pay; and it is only a few retirees who reach a proportion of 40 per cent or more, yet it is correct that little less than 50 per cent of the pensioners come in the range of 35-40 per cent, pension of the last average pay as shown in the Table below for 861 responses.

Table 7.03 : Pensions as proportions of the last average pay as revealed by 861 responses out of the 1000 sample pensioners

Sl. Pension proportions No. of last average pay		No. of responses	Percentages
1.	2.	3.	4.
1.	Less than 20 per cent	18	(1.80)
2.	20 -25 "	67	(6.70)
3.	25 -30 "	24	(2.40)
4.	30 -35 "	250	(25.00)
5.	35 -40 "	474	(47.40)
6.	More than 40 "	28	(2.80)
Total :		861	(86.10)
No response		139	(13.90)
Grand Total :		1000	(100.00)

7.08 The pensioners proportions of the last average pay were 35 per cent and above for about half the pensioners and less for the others; also the economic plight suffered by the pensioners was providing - more so, under the crushing burden of

inflationary pressures.

7.04 gives data on pensioners reactions.

7.09 The existing higher pension proportions<sup>2/</sup> of the last pay in quite many countries it was thought imperative to inquire from the pensioners about their views on proportions. The Table/ More than two-thirds of the sample pensioners made a reference that the size of the pension in relation to the last average pay should be between 50-60 per cent, between 8.50 per cent, between 70-80 per cent; 4.00 per cent, between 90-100

Table 7.04 : Sample Pensioners views on the Pension as a proportion of last average pay

Sl. Ranges of proportions No. suggested by the Pensioners	No. of pensioners	Percentages distribution
1. Below 50 per cent	25	(2.50)
2. 50 -60 "	684	(68.40)
3. 60 -70 "	33	(3.30)
4. 70 -80 "	85	(8.50)
5. 80 -90 "	6	(0.60)
6. 90-100 "	40	(4.00)
7. Above 100"	10	(1.00)
No response	117	(11.70)
Total :	<u>1000</u>	(100.00)

per cent; 3.30 per cent, between 60-70 per cent; 2.50 for less than 50 per cent. Perhaps the maximum proportion needs to be raised to 50-60 per cent in view of the expressed views by more than two-thirds of pensioners from 41.25 per cent recommended by the Third Pay Commission. Range of pension as a proportion of last pay in some of the countries is given below. More than three-fourths (to be precise, 77.50 per cent) of the pensioners have an pension income of less than Rs.3600 per annum (see Table 6.01). Size of an average household in India, as revealed by 1971 census, is 5.6 persons and the per capita income for

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2/ See Table 7.03

3/ Column 40 of the Interview Schedule.

the year 1975-76 is about Rs.1000/- in current prices; therefore, the per household average income is Rs.5600/-. The Pensioners average household size comes to '4'; however, about 55 per cent of pension households have a household size below '4'. Consequently, the average per capita income of the pensioners is Rs.900 <sup>which is</sup> 10 per cent below the national average. But another 45 per cent of pension households have an average income much below the average, since the dependency ratio is 6-9 or more for these households - as compared to 4 or less than four for the 55 per cent of the first category of households - as can be seen from the data in Table 7.05. Such a structure of the households reduces the income per capita in the range of 100-250.

Table 7.05 : Household size and Dependency ratio of 1000 sample civil pensioners in 1976

Sl. No.	No. of pension households	Percentage distribution	No. of persons	Mid point	Dependents	Dependency ratio*
1.	2.	3.	4.	5.	6.	7.
1.	60	(0 - 6)	1	-	None	0.00
2.	138	(13.80)	2	-	1	0.50
3.	459	(45.90)	3-5	4	2-4	4.00
4.	276	(27.60)	6-8	7	5-7	6.00
5.	55	( 5.50)	9-11	10	8-10	9.00
6.	4	( 0.40)	above 11	11	above 10	above 10
7.	8	( 0.80)	No response	No response		-
<u>Total:1000</u>		(100.00)	-	-	-	-

\*Number of dependents reduced by '1' - as the 'pensioner' is the only earner in the household.

7.10 Besides, the recurring monthly income in the forms of pension, as stated above in the earlier paragraphs, the pensioners also receive capital funds on retirement from their (a) accumulated savings in provident funds; (b) gratuity -DCRG; (c) commuted pension by those who opt for it and also have the necessary health standards as assessed by the Medical Board;



(d) Life Insurance funds; and (e) others. To assess the receipts of capital fund: Question 31 of the Interview Schedule sought information on the above possible sources. The information is tabulated, according to sizes of funds in Table 7.06. The data indicate that above two-thirds of the pensioners received capital amounts ranging from Rs.5001 -20000 and over; 15.8 per cent in the size range of Rs.5001 -10,000; 24.6 per cent, in the range of Rs.10,001 -20,000; and 26.10 per cent in the range of Rs.20,001 and over.<sup>4/</sup> In case all these capital

Table 7.06 : Capital Funds received by the Pensioners at Retirement besides the Recurring Pension

Sl. No.	Range of accounts received	No. of pensioners	Percentage Distribution
1.	2.	3.	4.
1.	Upto Rs.1000	31	(3.10)
2.	Rs.1001-2000	55	(5.50)
3.	" 2001-5000	130	(13.00)
4.	" 5001-10000	158	(15.80)
5.	"10001-20000	246	(24.60)
6.	"20001 & above	261	(26.10)
	No response	119	(11.90)
	Total :	<u>1000</u>	(100.00)

funds are not used in discharging debts - if any, or on any consumptions expenditure, such as, marriage, or on the higher education of boys/girls, medical expenses, investment on housing etc. it is possible for the two-thirds of the pensioners to derive monthly income ranging from about Rs.50-200 per month.

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4/ In the USA, for the aged '65 years and over', 26 per cent couples and 42 individuals had 'nil' capital assets; less than \$1000, 17 per cent couples and 19 per cent individuals; between \$1000-2999, 15 per cent couples and 11 per cent individuals; between \$3000-4999, 8 per cent couples and 6 per cent individuals; between \$5000-9999, 12 per cent couples and 9 per cent individuals; between \$10,000-19,999, 11 per cent couples and 7 per cent individuals \$10,000 & more, 13 per cent couples and 5 per cent individuals. (Refer to James H. Schultz : "Economics of Aging", 1976 : Table 9). If one rupee's purchasing power is regarded equivalent to one dollar, the position of government civil pensioners is relatively better.

However, this is a very optimistic assumption.

7.11 In case of the failure to pay the commuted pension within a reasonable time, it can be an issue in equity that 'pension' when commuted, should be paid within a reasonable time of one month from the date of absolute right earned on the date of medical fitness report sent. In case of delayed payment, market rate of interest be paid to the pensioners. Again, with the rise in expectations of life at various ages and inflation moving upwards, it is relevant to revive the full pension after 10 years or to recast the commutation formula with the expert advice of proper actuarial assessment.

7.12 The data in Table 7.07 convey that only 172 pensioners (17.2 per cent) out of 1000 sample pensioners were in debt at the time of retirement; and out of 172 pensioners, the size ranges of debts were not specified by 26 pensioners - which probably tells that they did not have any worthwhile debt incumbrances. For the remaining 146 pensioners the debt size ranges tabulated show that 59 (or little above 40 per cent of the pensioner debtors) were in the range of Rs.5001 - 20000 and above and 87 were in the range of less than Rs.5000. Thus, the element of indebtedness inherited by the central civil pensioners is in no way alarming. This is obvious from the credit-worthiness of the government employees/pensioners because 104 of the 146 pensioners had already discharged their debts by the time of the present survey-cum-study : The pensioners were obliged to incur debts on account of delay in the sanction of the pension, 44 persons incurred indebtedness ranging upto Rs.2000 and above and delay in receiving the payment of gratuity G.P.F. and pension. The central civil employees, in general, cultivated the genius of built-in-thrift; partly by borrowing from G.P.F. for marriages, education or against the security of life insurance policies, which was often repaid through monthly instalment cuts/payments. This establishes efficacy of the built-in-savings by monthly instalment cuts or payment in the G.P.F. and insurance. In addition, middle and high income government employees, in good number, also have/ <sup>fixed deposits</sup>

with the banking institutions, Unit Trust of India, Postal Certificates which give exemptions from Income-tax levy.

Table 7.07 : Indebtedness of the 146 pensioners out of sample of 1000 respondent pensioners

Sl. No.	Size ranges of indebtedness	No. of pensioners	Percentage distribution of frequencies in col.3
1.	2.	3.	4.
1.	Upto Rs. 1000	16	(1.60)
2.	Rs. 1001 - 2000	29	(2.90)
3.	" 2001 - 5000	42	(4.20)
4.	" 5001 - 10000	24	(2.40)
5.	" 10001 - 20000	19	(1.90)
6.	" 20001 & above	16	(1.60)
7.	Not applicable (or not responded)	856	(85.60)
Total :		<u>1000</u>	(100.00)

7.12 However, the total net picture of other income accrual to the pensioners relates to the flow of funds besides pension. (1) Dividends earned from investments in shares and securities, (2) rent from property investments; (3) interest from deposits; (4) earnings from post - retirement employment; (5) remittances from relatives; and (6) any other. To mobilise information on the totality of income accrual, question No.35 of the Schedule was employed. The data on this aspect are given in Table 7.08.

Table 7.08 : Income per month earned or not earned by the sample of 1000 central civil pensioners (in 1976) besides Pension income

Sl. No.	Size range of income	No. of pensioners	Percentage distribution
1.	Upto Rs. 100	148	(14.80)
2.	Rs. 101- 200	78	( 7.80)
3.	" 201- 500	144	(14.40)
4.	" 501-1000	73	( 7.30)
5.	" 1001-2000 & above	31	( 3.10)
	Sub-total	<u>474</u>	(47.40)
	Not specified	115	(11.50)
	Not applicable	411	(41.10)
	Sub-total	<u>526</u>	(52.60)
	Total :	<u>1000</u>	(100.00)



for 474 respondents, as there is either no response or no applicability to 411 remaining pensioners plus 115 respondents who did not (could not) specify the income earned by them besides pension income. The data convey that 148 (14.80 per cent) pensioners had monthly income of less than Rs.100; 78 or 7.8 per cent between Rs.100-200; 144 or 14.40 per cent between 201 -500; 73 or 7.30 per cent between 501-1000; and 31 or 3.1 per cent between Rs.1001 to 2000 and above.

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#### Summary

1. Out of 1000, respondent pensioners, (1) 900 drew their pensions from the treasuries : (a) 800 directly from the treasuries, and (b) 100 indirectly from the treasuries - but through the banks largely from the State Bank of India and the Syndicate Bank; and (2) another 100 from the Post Offices - of these, 83 were the officers and 17 family pensioners. Out of the 900 pensioners of the first category, 79 were family pensioners : 70 drawing directly from the Treasuries and 9 through the bankers. In all, out of the 1000 sample pensioners, 96 were family pensioners. Again, out of 904 officer pensioners, 895 were male pensioners and 9 female pensioners.
2. 1000 pensioners were distributed into six income brackets : 19 per cent, in the income bracket of 'Rs.100 and less'; 34.1 per cent, in the income bracket of Rs.101-200; 24.30 per cent, in the income bracket of Rs.201-300; 10.50 per cent in the income bracket of Rs.301-400; 5.9 per cent in the income bracket of Rs.401-500; and 6.1 per cent in the income bracket of Rs.501 and above. 85.2 per cent of the pensioners, collect pension monthly; 7.5 per cent bi-monthly; 5.6 per cent, quarterly; and 0.7 per cent, annually. Nearly two-thirds of the pensioners face difficulties in collecting pension in person, particularly in the treasuries. The difficulties being of (a) long wait in the treasury or bank, (b) defective disbursing system, (c) shortage of staff at the treasury, (d) inefficient staff in the treasury, (e) no facilities of fans, benches, canteen, queueing, call-system in the treasury, (f) transport difficulties and the high cost of transport, and (g) lack of proper management of required papers and files.
3. Pension income is inadequate for a large number of pensioners and they supplement their income by (a) doing part-time job, (ii) reducing expenses on various items

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of consumption, (iii) financial remittances from their sons/daughters and (iv) borrowing. About 12 per cent depend on first resources; 27 per cent, on second; 29 per cent, on the third; and 4 per cent on the fourth. The important reason for inadequacy is a smaller proportion of the last average pay which is less than 35 per cent, for about 50 per cent of the pensioners - and in effect the pension value is cut to one-third of the last average pay overnight - superimposed by the inflationary pressures and some of the respondent pensioners (more than two-thirds) have suggested pension fixing at 50-60 per cent and more of the last average pay. The income inadequacy becomes more biting because the dependency ratio of more than 85 respondent pensioners is '4' or more - extending upto '9 and more' for 6 per cent of them.

4. Of the capital funds or lump-sums received at the time of retirement or after by the respondent pensioners, 3.1 per cent, had less than Rs.1000; 5.5 per cent, between Rs.1001-2000; 13.0 per cent, between Rs.2001-5000; 15.8 per cent, between Rs.5001-10,000; 24.6 per cent, Rs.10,001-20,000; 26.1 per cent, Rs.20,001 and more; and 11.9 per cent did not respond. It shows that nearly two-thirds of the pensioners got capital funds between Rs.5001 -20,000. These funds flowed from DCRG, Provident Fund, Commuted Pension, Life Insurance funds, and others. Only 17.2 per cent of the total sample pensioners were in debt; of these, 26 did not respond and the remaining 146 debtor-pensioners, 69 (or little less than 50 per cent) were borrowers in the range of 'Rs.5001 -20,000 and above', and 77 were indebted, upto 'Rs.5000 and less'; thus the indebtedness incurred by the pensioners is not alarming - as a result 104 debtors out of 146 had already discharged their debts by the time of the survey since debts were incurred because of delay in receiving pensioner DCRG and whatever debts were incurred earlier were from G.P.F. generally and was repaid by monthly deductions from the salary every month.
5. Besides pensions, the 474 pensioners who specifically responded, of the 1000 sample pensioners had recurring income from dividends, rent, interest, post-retirement employment, remittances from relatives. Of the 1000 pensioners, 14.8 per cent had extra income of less than Rs.100 per month; 7.8 per cent, between Rs.101-200; 14.4 per cent, between Rs.201-500; 7.3 per cent, between Rs.501-1000; and 3.1 per cent, between Rs.1001-2000 per month.

CHAPTER - VIII

VIII. Ex-ante Plans for Retirement and Ex-Post Implementations/Hurdles and the Age Distribution of the Period Spent as Pensioners

8.01 When a person working on a pensionable job, few months before the retirement thinks about the things to visit him in terms of (1) fall in incomes (2) worries about the spending of time, (3) developing taste for utilizing leisure hours, (4) his role and status in the family, relations, community etc. - he may confront a number of problems. Therefore, he would like to be shrewd enough to chart out a work programme for himself; he may think of re-employment in service in a private or semi-public organisation, starting own business, writing of memoirs, or a treatise in the discipline of his expertise,<sup>or</sup> take a parcel of cultivated land and start agricultural production,<sup>or</sup> engage in social works,<sup>or</sup> devote to peaceful religious activities etc. In regard to analysis of any action programme that some of the pensioners think out and plan in this direction, it was necessary to put relevant question(s) to them. Accordingly, a question was included in the interview schedule. The analysis of the replies received on this point reveal that out of 1000 sample pensioners, 26 did not respond, and 457 (or 45.7 per cent), stated that they had thought of 'how to use the retirement period' whereas 517 (or 51.7 per cent) had not given any thought on this issue. A distribution of the would-be-plans for retirement of 457 persons is given in Table 8.01.

Table 8.01

8.02 From the data in / it appears that out of those who planned programmes for the retirement period, more than three-fourths (or 76.4 per cent) did plan for improving their income towards supplementing the reduced income, caused by retirement. The rest (or one-fourth) of them preferred to engage themselves in social work, religious activities and develop their hobbies - who perhaps were better-off financially. It might also be inferred that 76.4 per <sup>cent</sup> / were badly off financially and felt it imperative to look for work that would some way blunt the



misery of reduced income.

Table 8.01 : Distribution of "would-be-plans" of 457 pensioners out of 1000 sample pensioners

Sl.No.	Plans	No.	%age distribution
1.	2.	3.	4.
1.	Re-employment	174	(37.80)
2.	Starting own business	176	(37.60)
3.	Cultivation	14	( 3.00)
4.	Social Work	40	( 9.00)
5.	Hobbies/Religious activities	53	(11.60)
	Total :	457	(100.00)

8.03 It further turned out that out of 457 pensioners who had planned to engage in work (either money-yielding or for using the abundant leisure hours) only 166 pensioners (that is, 36%) could be successful in initiating or materialization of their plans and the rest of them (that is, 64 per cent) could not. It also follows that only about 76 persons (or 7.6 per cent) out of 1000 sample pensioners could materialize their post-retirement plans; and the remaining 92.4 per cent of the sample pensioners could not be successful in finalizing their plans or, did not plan at all. The factors which proved insuperable obstacles even for the thoughtful pensioners were : (i) insufficient funds/resources (47.20 per cent); (ii) non-availability of jobs/employment (29.20 per cent); (iii) unfavourable family circumstances (9.8 per cent); (iv) bad health (9.8 per cent); and (v) lack of experience (3.80 per cent). Proportional weights of these factors are shown in Table 8.02 in a descending order.

8.04 The structure of the 1000 sample pensioners, (either as active workers or otherwise) according to the periods already spent as pensioners - irrespective of the actual age(s) of retirement is presented in Table 8.03. These data reveal

that more than half (53.2 per cent) of the current pensioners had spent not more than 5 years of retirement and about one-fourth had spent between 5 -10 years. Only 11 per cent, had

Table 8.02 : Factors responsible for Non-materialization of the plans for retirement in the ex-ante period

Sl.No.	Factors	No. of pensioners	%age distribution
1.	2.	3.	4.
1.	Insufficient funds or resources	137	(47.30)
2.	Non-availability of job/employment	85	(29.30)
3.	Family circumstances	29	( 9.80)
4.	Bad Health	29	( 9.80)
5.	Lack of experience	11	( 3.80)
	Total :	<u>291</u>	<u>(100.00)</u>

lived as pensioners for 10-15 years; 6 per cent for 15-20 years, 2 per cent for 20-25 years; 1.5 per cent for 25-30 years; and a microscopic 0.4 per cent for over 30 years.

Table 8.03 : 1000 sample Civil Central Pensioners structure according to the years spent retirees in 1976

Sl. No.	Years spent as retirees	Number of pensioners	Proportion
1.	2.	3.	4.
1.	Less than 5 years	532	(53.20)
2.	5 - 10 "	259	(25.90)
3.	10 - 15 "	110	(11.00)
4.	15 - 20 "	60	( 6.00)
5.	20 - 25 "	20	( 2.00)
6.	25 - 30 "	15	( 1.50)
7.	30 years & over	4	( 0.40)
	Total :	<u>1000</u>	<u>(100.00)</u>

8.05 An approximate image of the total distribution of all the current civil pensioners, according to their live ages in retiree status, is roughly worked out in Table 8.04. However,

it is felt that this structure in future will change and the percentages for 'elderly pensioner' move upwards in view of higher survival rates for the pensioners and a sure decline in proportional composition of the 'younger pensioners' will ensue.

Table 8.04 : An approximate Distribution of Central Civil Pensioners according to their age-structure as Retirees in 1976

Sl. No.	Years spent as retirees	No. of civil pensioners	Based on proportions as revealed by 1000 sample pensioners
1.	2.	3.	4.
1.	Less than 5 years	1,36,200	(53.20)
2.	5 - 10 "	90,650	(25.90)
3.	10 - 15 "	38,500	(11.00)
4.	15 - 20 "	21,000	( 6.00)
5.	20 - 25 "	7,000	( 2.00)
6.	25 - 30 "	5,250	( 1.50)
7.	30 years & over	1,400	( 0.40)

Total : 3,50,000 (100.00)

Source : Columns 51-52 of the Interview Schedule

8.06 In order to relax, to keep friendly and social contacts, <sup>word off</sup> to/monotony of isolation, and to feel meaningful, spending of <sup>time -</sup> ~~are required to~~ a certain nature of associations/play a fruitful part for the aged. In a straight question it was asked whether the pensioners were satisfied <sup>1/</sup> with their life as pensioner to which 63.3 per cent replied in the affirmative; 36.3 per cent replied in negative; and the 0.4 per cent did not respond. This satisfaction to about two-thirds of the pensioners is, however, associated with their "lives for recreation" such as, 'picnics', attending the clubs, going out for excursions, participation in informal education, mixing with persons other than the pensioners (or the aged). Of a sample of 1000 pensioners, 82.4 per cent indicated their 'likes for recreation'; 35 per cent expressed their 'very much willingness' for picnics;

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1/ Column 42 of the Interview Schedule.



41 per cent for 'excursions'; 2.6 per cent for 'visiting regularly to the clubs'; 33.6 per cent for 'participating in informal education'; and 74.2 per cent 'in mixing with persons other than pensioner'.<sup>2/</sup> These cross-preferences by the pensioners, perhaps help the subjects in feeling satisfied with the life as pensioners; in the absence of these opportunities monotony clouds and the eyes stare blankly at the sky.

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#### Summary

1. Of the 1000 sample pensioners, 457 (or 45.7 per cent) had thought of 'how to use the retirement period'; 517 (or 51.7 per cent) 'had not given any thought on this issue'; and 26 (or 2.6 per cent) did not respond. Out of 457, 37.8 per cent had thought of re-employment; 38.6 per cent, of starting own business; 3 per cent of cultivation; 9.0 per cent, of social work; and 11.6 per cent of hobbies/religious activities. Thus, 76.4 per cent (or nearly three-fifths) did plan for improving the incomes. But actually it turned out that out of 457 pensioner, only 166 (36 per cent) could be successful in initiating or materialisation of their plans and the rest (or 291) could not - and only 76 (or 7.6 per cent of 1000) could be successful to materialise the plans. Main obstacles in realising the plans for 291 were : (i) insufficient funds (47.20 per cent); (ii) non-availability of jobs (29.20 per cent); (iii) unfavourable family circumstances (9.80 per cent); (iv) bad health (9.80 per cent); and lack of experience (3.80 per cent).
2. Approximately, 53.2 per cent of the sample pensioners have spent not more than 5 years of retirement; 25.9 per cent, 5-10 years; 11 per cent, 10-15 years; 6 per cent, 15-20 years; 2 per cent, 20-25 years, 1.50 per cent, 25-30 years; and 0.4 per cent, 30 years and over.
3. Of the 1000 pensioners, 82.4 per cent indicated their 'likes for recreation'; 35 per cent, for picnics; 41 per cent for excursions; 2.6 per cent for 'visiting regularly the clubs'; 33.6 per cent, participating in informal education; and 74.2 per cent in mixing with persons other than pensioner. These cross-preferences by the pensioner perhaps help sizeably in feeling satisfied with the life as pensioners; in the absence of these opportunities, monotony clouds, their feelings and the eyes stare blankly at the sky.

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- <sup>2/</sup> In a question under Col.50 of the Interview Schedule, the reasons pointed out by the pensioners for 'mixing with others' are : (i) exchange of ideas and experiences in a wider circles - (34 per cent of the sample); (ii) one's own innate nature - 23.5 per cent; (iii) feeling of youthfulness with younger people - 6.5 per cent; (iv) good for social life - 8.5 per cent.

CHAPTER IX

IX. Housing Accommodation and Housing Facilities for the Pensioners

Normal Housing Facilities in Delhi for Govt. Employees and repercussions on the pensioners 9.01 In Delhi State, out of all the households, in 1971, in urban areas, rented houses were used by 58.5 per cent; and owned houses by 41.5% of the households (Registrar General of India, 1971; Census Part I.IXB, Page 321). Again, the housing satisfaction, in Delhi, to the Central Government civil employees in regard to government houses, was availed by 45 per cent; therefore, it can roughly be assumed that it is only 45 per cent of the retiring employees that have to leave the government accommodation. Whereas, nearly 55 per cent are the tenants of the private landlord or living in owned houses. It may as well be that even those who live in private houses as tenants get rent allowance equivalent to 15 per cent of their salary might find it difficult to live in the same rented house after retirement and quite many of them might look for a smaller house or move to a colony or housing estate where rents are lower; failing which, half of the pension (or even more) might be eaten up by rent of the house - this rent burden becomes unbearable since no rent subsidy is available and retirees get only 1/6 of the dearness allowance as against the same level of dearness allowance allowed to government employees). To assess of the emerging housing problem for the pensioners some questions (No.36-40) in the Schedule were canvassed to the sample pensioners.

Survey Results and Tenant Status

9.02 The inquiry revealed that 444 pensioners (or 44.4 per cent) lived in the same 'rented' house after retirement as they did prior to retirement. This conveys that 44.4 per cent of the pensioners both during the government employment and also after retirement lived in private landlords' houses as tenants; they never got allotment of government tenement. However, 310 pensioners (or 31.00 per cent) though lived in 'rented' house, they were living after retirement in 'own' houses indicating that 31 per cent had mobilised 'savings' as also 'loan finance' as well as they partly used the 'lump sum capital funds' received as a consequence of retirement. Once

owning the house impelled them spontaneously to stay in their own houses - unless the rent control law inequitably prohibited them from living in their own houses. But following the Rent Control Amendment Ordinance enacted, early in 1976, the edges of onslaughts of inequity could have blunted a little. Further, 165 pensioners (or 16.5 per cent) were living before and after retirement in their own houses - and to that extent they had eased the demand on government residential accommodation. However, there were 11 pensioners (or 1.1 per cent) who were staying before retirement in 'own' house were residing, after retirement in 'rented' houses - perhaps because the own house became redundant or in the retirement period they were obliged to sell out the house and supplement the income to meet the expenses. About 6.7 per cent (or 67 pensioners) were staying with others; of these, 58 pensioners (or 5.8 per cent) who were living in rented house - <sup>nonetheless</sup> were/staying either as guests or as close relations or friends. Incidentally, 7 pensioners (or 0.07 per cent) were all the time staying with someone ~~because~~ they were not married or out of love and affection of a close relation or friend they preferred to stay with them all the time. (For details see Table 9.01)

Table 9.01 : Type of Tenancy for Housing Accommodation held by pensioners before and after Retirement

Sl. No.	Type of accommodation	No. of pensioners	Percentage Distribution
1.	2.	3.	4.
1.	'Rented' both before and after retirement	444	(44.40)
2.	'Rented' house before and 'own' after retirement	310	(31.00)
3.	'Own' house both before and after retirement	165	(16.50)
4.	'Own' house before and 'rented' after retirement	11	( 1.10)
5.	'Retired' staying with others	67	( 6.70)
6.	No response	3	( 0.30)
	Total :	1000	(100.00)



some elasticity of income for housing - 9.03 In terms of distribution of consumption expenditure because of higher income elasticity for expenditure on housing it can be said that with the fall in income, the expenditure on housing will fall precipitously. However, it is equally possible that the market phenomenon could have escalated the rent levels absorbing sizeable proportion of the pension income in the urban centres (and more so, in Metropolitan Centres) where the supply of new housing is very much less than the growth of needs/demands for housing - both <sup>due to</sup> natural growth of population as well as the waves of immigration from the rural to the urban centres. Such a situation increase the rents much higher - and the rents that the pensioners have to pay are much more than what they were accustomed to pay earlier and this could as well develop constraints to obtain the same space area in the 'new housing'. Resultantly, less space area is rented and that too in poor status residential colonies.

9.04 In order to assess, the above phenomenon, Question No.39 of the Interview Schedule tried to eke out information from the pensioners. The data (as shown in Table 9.02) suggest that

Table 9.02 : Changes in the Expenses on Housing from pre-retirement to post-retirement period

Sl. No.	Levels of expenses	No. of pensioners	Percentage of distribution
1.	2.	3.	4.
1.	Expenses more in post-retirement	340	(34.00)
2.	Expenses same as in the pre-retirement period	269	(26.90)
3.	Expenses less in the post-retirement period	235	(23.50)
4.	No meaningful response	156	(15.60)
	Total :	1000	(100.00)

26.9 per cent of the pensioners were spending the same amount as they were doing before retirement; whereas, 34 per cent were spending more after retirement than they did prior to retirement. However, 23.5 per cent of the pensioners spent 'less' after retirement - perhaps partly impelled by fall in income,

partly by the shrinkage in the size of family, and also by having a smaller space for housing and that too probably because of the shift in lower status residential colonies. About 11 per cent were staying with others - presumably without paying any rent charges and 15.6 per cent did not respond meaningfully to the question. Since 34 per cent of the pensioners spend more than what they did before retirement and another 27 per cent spent the same amount as they were spending before, in any case housing expenses are exorbitant for the pensioners. In order to ease the hardship in owning or renting a house after retirement, the 'hire-purchase system' should be invoked by the Government during the active service as has been done in Punjab early in 1976. Another alternative is to continue the rental subsidy - as due during the last month of retirement along with income-tax rebate/relief.

9.05 Long-term data on national consumer expenditure of different countries suggest that next to 'food', 'housing' has an important place, and 'clothing' comes thereafter. It can be observed that the proportion of consumer expenditure on 'food' becomes low in the developed countries as compared to developing countries, of Asia and Latin America. On the other, the proportion of expenditure on 'housing and housing services' in developed countries is relatively more and often it is twice or thrice that of the proportion on 'clothing'. It can thus be inferred that an increase in the proportion of the consumer expenditure on 'housing and housing services' is an affirmative, positive and perspective indicator of progress. United Nations developed "indicators of housing levels of

living<sup>1/</sup> there are : (1) four basic indicators; (2) Five supplementary indicators; and (3) a complex of thirteen subsidiary indicators. By applying these indicators, in general, <sup>it emerges that</sup> housing conditions of Delhi pensioners is better as can be seen from some of the data presented in Table 9.03 - - 9.07. and in paras 9.06 and 9.07.

Table 9.03 : Construction Types of the Houses resided by the sample pensioner households

Sl. No.	Type of Houses	Total No.	Proportions
1.	2.	3.	4.
1.	Pucca (or conventional)	957	95.70
2.	Kutchra (or rustic)	32	3.20
3.	Semi-pucca	6	0.60
4.	No response	5	0.50
	Total :	1000	100.00

9.06 As regards the housing conditions of the residences presently occupied by the pensioners, it appears that 95.70 per cent of the pensioners lived in 'pucca' houses;<sup>2/</sup> and only

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1/ Four basic indicators are : B<sub>1</sub>, per cent of population living in conventional (or pucca) dwellings; B<sub>2</sub>, per cent of occupied dwellings with 3 or more persons per room; B<sub>3</sub>, per cent of occupied dwellings with piped water inside dwelling or outside dwelling but at a distance of 100 metres or less; and B<sub>4</sub>, per cent of houses served with toilets. Five supplementary indicators are : S<sub>1</sub>, per cent of population living in housing units classified as rustic or improvised, and not intended for habitation, or without shelter of any kind (equivalent to 'kutchra' or 'slum' areas); S<sub>2</sub>, average number of persons per room; S<sub>3</sub>, per cent of occupied dwellings with flush toilets (urban); S<sub>4</sub>, per cent of occupied dwellings with toilets other than flush; and S<sub>5</sub>, index of dwelling construction in relation to the estimated requirements. A complex of thirteen subsidiary indicators are : (i) cooking facilities; (ii) bathing facilities; (iii) electricity; (iv) type of buildings; (v) year of construction; (vi) material of wall; (vii) material of roof; (viii) material of floor; (ix) state of repair; (x) floor space; (xi) outdoor space; and (xiii) ownership.

2/ In comparison, in the urban areas of the country in 1971, only 19.8 per cent, of the houses were 'pucca'; 40.9 per cent 'kutchra'; and 36.3 per cent, semi-pucca. In the same year, in Delhi City, 'pucca' houses were 14.4 per cent; 'kutchra' houses are 83.6 per cent; and 'semi-pucca' 2.00 per cent.

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0.60 per cent in 'semi-pucca' houses. (See Table 9.03) Pensioners numbering 383 (38.30 per cent) lived in two-room houses; 22.00 per cent, in three room houses; 11.80 per cent; in '4-room' houses; and 6.60 per cent in '5-room or more' houses. Whereas, 19.30 per cent, were living in one-room houses and 2 per cent did not respond. In comparison, out of the total households of urban Delhi, 57.3 per cent of the households lived in '1-room' house; 27.1 per cent, in 2-room houses; 9.3 per cent, in 3-room houses; 4.3 per cent, in 4-room houses; and 3 per cent, in '5-room and more' houses. (Table 9.04) From the point of view of structural components of the houses, it is comparatively obvious that housing facility enjoyed by the sample pensioner households is of a good order.

Table 9.04 : No. of rooms in the houses resided in by the sample pensioner households

Sl. No.	No. of rooms in the house	No. of pensioner households	Percentage Distribution
1.	1-room	193	19.30
2.	2-rooms	383	38.30
3.	3-rooms	220	22.00
4.	4-rooms	118	11.80
5.	5 rooms and over	66	6.60
6.	No response	20	2.00
Total :		1000	100.00

9.07 In respect of availability of some essential housing services to the pensioner households - such as, potable water, sanitary facilities (that is, flush latrine/dry latrine), dispensary, school, bus stop, library, park etc. Q.40 collected the information. It is shown by the data that 94.4 per cent of the pensioner households had water taps in the houses (or in the premises or nearby) and only 5.6 per cent did not have

the facility. (See Table 9.05) Further, it also comes out that 80.70 per cent of the pensioners' houses had flush latrines inside the house; 14.20 per cent, dry latrines; and 3.70 per cent, dry latrines outside the house; 0.7 per cent, flush latrines outside the house; (see Table 9.06) and 0.6 per cent of the pensioners did not respond. About the community services of dispensary, school, bus stop, library, parks etc. the

Table 9.05 : Sources of water supply by taps in the sample pensioners' houses

Sl. No.	Whether taps	No. of houses	Percentage distribution
1.	2.	3.	4.
1.	Yes	944	94.40
2.	No	56	5.60
Total :		1000	100.00

information collected reveals (See Table 9.07) that 70.2 per cent of the pensioners had these facilities 'very near'; 23 per cent, somewhat nearer; 5.9 per cent, far off; and 0.9 per cent did not respond.<sup>3/</sup>

Table 9.06 : Sanitary Arrangements in the sample pensioners houses

Sl. No.	Type of Sanitary	No. of pensioner households	Percentage distribution
1.	2.	3.	4.
1.	Flush in the house	807	80.70
2.	Flush outside house	142	14.20
3.	Dry latrine in the house	7	0.70
4.	Dry latrine outside	38	3.80
5.	No response	6	0.60
Total :		1000	100.00

Table 9.07 : Availability of Community Services, such as, Dispensary, School, Bus Stop, Library Park, etc.

Sl. No.	Availability of services Near/Far off	No. of pensioners	Percentage distribution
1.	2.	3.	4.
1.	Very Near	702	70.20
2.	Somewhat Near	230	23.00
3.	Far off	59	5.90
4.	No response	9	0.90
Total:		1000	100.00

<sup>3/</sup> For the data analysed in paragraphs 9.06 and 9.07, refer to Tables 9.03.

Special  
Housing  
Needs of  
the Aged

9.08 In sum, it can be observed that adequate accommodation and physical environment are essential for the welfare of all the age groups, but more so, for the older persons, they can either stay in own houses or live with relatives/friends or live in retirement communities, rooming/nursing/aged-peoples' homes. But as the aged are societal beings, only a very small proportion of them like to live outside their own familiar habitat' groups/colonies.<sup>4/</sup> In view of the above, the elderly people do not prefer to change from the familiar place they lived for a long time and therefore they do not join institutional housing facilities<sup>5/</sup> except when there is a failure on the part of the community to provide organised programmes with community support. In this context it may be stated that, in Delhi, The Low-Income Family Emancipation (Life) Society - which started social welfare work in the capital in slums since 1971, has activated its programme for the housing of people over 60 years of age.

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4/ The importance of keeping older people in their own homes, as long as possible, is considered desirable by medical authorities and social work analysts, and they regret thinking of shifting the aged to the nursing home as an escape. As regards group-living the prescription for the aged is a club/boarding house with ideal location on a busy thoroughfare, preferably between a ten cent store and a movie theatre. It is here that the needs of the older people can be met easily and conveniently, such as, needle buttons, thread, hooks, letter paper - and as a bonus they can enjoy the excitement of a ten cent store and kill the boredom. In the matter of appropriateness or suitability of housing for the aged persons, major questions concern to ill-health, disability, organisation of community services in the context of their physical limitations to meet their needs/desires. This is the central problem in any community planning - both for housing and adaptation of facilities and services to the changing demands of the 'aged', and to fulfill these they need 'invisible' subsidies from the community - if they have to continue to function as members of the society without loss of dignity.

5/ In the USA, less than 5 per cent of the aged live in the institutional settings; in the Netherlands, only 2.2 per cent live in hospitals and nursing homes of all kinds. (U.N. : ibid, page 28)

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9.09 Housing as a matter of policy should include a design of environments which support the potential for 'age-oriented' activities rather than 'age-segregated', that is, young and aged according to their ages need special care in respect of housing, since they have large differences physiologically, psychologically and socially. The age-segregated housing should be the last choice left to be opted by the 'aged'. Along with it all types of housing options (including new housing) should be open to the variegated needs of the aged- accompanied by proper concessional transport services to augment mobility from residence to shopping centres, dispensaries/hospitals, religious and cultural centres etc.

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#### Summary

1. The satisfaction ratio in Delhi, for the Central Government civil employees in government accommodation is nearly 45 per cent; therefore, generally it is only the 45 per cent of the retiring employees who have to leave the government accommodation - following retirement; and out of the rest of the 55 per cent employees 44.4 per cent are the tenants both before and after retirement. It may as well be said that rent allowance equivalent of 15 per cent of the last pay is also lost by those who lived in rented houses or own-houses; and those who seek rented houses after retirement have to pay very high rents eating half or more than half of the pension income. But after retirement, 31 per cent of the 1000 sample pensioners - who earlier lived in rented houses were living in their own houses - indicating that they had mobilised 'savings' as well as loan-finance, as also capital lump-sum capital funds (consequent to retirement).
2. 34 per cent of the sample pensioners were spending more on 'rent' than they did before retirement; 26.9 per cent the same amount as before; 23.5 per cent were spending less - perhaps impelled by fall in income, shrinkage in family size, shift to lower status residential colonies.
3. 95.7 per cent of the sample pensioners lived in 'pucca' houses; 22 per cent in three-room houses; 11.3 per cent

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in 4-room; 6.6 per cent in 5-room; and only 19.3 per cent in one-room houses. Again, 94.4 per cent of the sample pensioner households had supply of potable water through water taps in the houses; 80.7 per cent of the households had flush latrines; 70.2 per cent, had availability of community services 'very near' their residence and 23 per cent 'somewhat nearer'. Thus, it can be averred that Delhi - based central civil pensioners, had a comparatively better housing facilities.

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CHAPTER X

X. Social Problems of Pensioners and the Aged

10.01 A superannuated person is worried not only about the welfare of himself; he is concerned about his family members and the education, upbringing etc. of his younger children or grand children. About himself, he might develop some social complexes about now earning less income, lack of contacts with friends, relations; also on account of physical inertness he might not find it feasible in moving to meet a near and dear friend or attend a lecture of an erudite scholar or a marriage or a social get-together, etc. He might look for innate respect from his family members or more communion with them or his friends to compensate the loss caused by rare facility of meeting and talking to his professional friends and older colleagues in the offices. In regard to his younger family members or dependents he would like to particularly see that the disadvantages he suffered from during his younger age do not come up as constraints in the development of his children or grand-children in regard to their health, educational facilities, acquisition of wider and deeper knowledge of men and matters as also of the unfolding mysteries of the universe and science. He desires that his successors achieve more success in life than what he himself achieved.

10.02 A majority of people, in pre-industrial periods - who lived mostly upto about 40-50 years - were dependent on the family as a unit of production - and with this 'low expectation of life' aged had a place. But in the industrial and urbanised age, the roles of the parents and grand-parents became slowly less and less important and made the elders helpless. In the Western industrial societies, sizeable number of people live in hospitals and nursing home - not because they are seriously ill but due to non-availability of the services and facilities from the family and community, to assist them when they have to adapt and adjust while aging; superimposed by the limitations and uncongenial environment, set by the competitive market economies - where the value attaches primarily to the



productive potential of the individual.

10.03 The Question Nos.41-43 of the schedule were canvassed to the sample respondents to know and analyse various factors which brought about a sea-change in the social problems of the pensioners as compared to the situation that prevailed during the working life.

10.04 Out of the 1000 sample pensioners, only 11.6 per cent expressed that they do not face or have not faced any social problems, but 88.4 per cent did say that they have been confronting some social problem(s). But when they were asked to mention some of the specific social problems, only 483 (48.30 per cent) specified and the rest did not respond. The various problem(s) were not limited to one area or range there were 'overlaps'. Out of 483 pensioners, 370 identified the problem of children's education - in respect of admissions, transport facilities. Costly books and a large number of books, insistence by the teachers to write only on one side of the exercise books, demand for donations -the last item made a big dent on the purse of the pensioners. Again, 294 pensioners stated that movement away from the familiar surroundings - while living in the government residential colonies after retirement has not only been a big process of re-adjustment for the pensioners and elder members of the family, but much more for the younger children - who lost their dear friends, familiar parks and play-grounds and the schools where they had read earlier and had earned some trophies and prizes; their own-self is perhaps been put to further test in the new surroundings. The displacement of the family from a familiar to strange surroundings and the process of adaptation afresh to the new surroundings<sup>has</sup> become slow and difficult social process for the whole family. This is a big social problem in the case of pensioners having young adolescent children.

10.05 Some 286 pensioners have a lurking feeling that their social status has been slowly eroding after retirement and <sup>already</sup> this burdens the/difficult life they are spending. Further,

263 pensioners were of the view that the housing facilities that they were enjoying were poorer/lesser than what they had while in service, they were paying more rent; enjoying less space and rooms resulting<sup>in</sup>/little over-crowding; 230 pensioners felt that the social and community services that they were now enjoying in respect of dispensary, schools, bus stop, library, park, community centre, cultural meetings, etc. were much more while they were in active service; resultantly, they they feel that they are now poorer in this regard.

Table 10.01 : Social Problems confronted by the Pensioners

Sl. No.	Social Service Problems	Total respondents	No. of respondents not getting the service
1.	2.	3.	4.
1.	Problem of children's education	483	370
2.	Problem of children's settlement	483	294
3.	Lower Social status of the Pensioners/life becoming difficult	483	286
4.	Problem of decline in Housing facility	483	263
5.	Lack of community and social facilities	483	230
6.	Loss of life-partner and consequent feeling of isolation	483	40
7.	Non-respondents	517	NIL
Total :		1000	

10.06 In relation to above social problems, the sample pensioners were asked to suggest remedies. In this direction, some respondents suggested that <sup>certain</sup> steps may be taken up to remove the hurdles and broadly most of them suggested for remedying the lapses and made a few specific suggestions; for example, (a) about 5 per cent of the pensioners suggested that social evil of dowry should be abolished; (b) about 3.5 per cent suggested that social and cultural activities be organised; and (c) about 5 per cent stressed that the pensioners be given

more monetary help to solve social problems. Among these three, the second deserves attention as it specifically refers to collective action by the State or the community.

10.07 In regard to the social contacts and their frequencies Q.42 was specifically inserted in the Schedule. It came out that 88.5 per cent of the pensioners have been maintaining social contacts - though with some difficulty and less of frequency; and only 11.5 per cent have been unable to maintain and enjoy this social ethos. Again, those who maintained social contacts, very often were only 354 (or 35.4 per cent); 42.9 per cent, only sometimes and 10.2 per cent, rarely. (For details see below Table 10.02)

Table 10.02 : Social Contacts and their frequencies by the sample pensioners

Sl. No.	Nature of Frequency	No. of pensioners	Percentage distribution
1.	2.	3.	4.
1.	Very often	354	(35.40)
2.	Sometimes	429	(42.90)
3.	Rarely	102	(10.20)
4.	Not applicable	115	(11.50)
	Total :	1000	(100.00)

10.08 The pensioners, as stated earlier, in terms of social status, social contacts, societal involvement face a series of irritants, frustrations and isolation - particularly in regard to the response from family relations, community neighbours etc. the status and respect they enjoy now as distinguished from what they had enjoyed in the period of their active employment. (Q.43 of the schedule was inserted to get information on this side of the social problem). Table 13.03 shows an analysis on this aspect. Out of 1000 sample pensioners, 808 (or 80.80 per cent) stated that they had warm and cordial treatment/respect from the family members; 156 (or 15.60 per cent) felt that the family members were indifferent; and 36 (or 3.60 per cent) found the family members cold. The cordial/respectful treatment from the relations, community, neighbours, former colleagues and 'society in general' was felt by 63.40



to 68.10 per cent pensioners - lower range being for the relations (63.40 per cent) and higher range (68.10 per cent) for the former colleagues; however, the percentages were higher as regards 'indifferent treatment' to the pensioners - ranging from 16.00 per cent from the 'society in general' to 30.40 per cent from the relations; the attitude of 'coldness' were also higher for 6.2 per cent from relations and for 17.10 per cent from 'Society in general'. Nonetheless, it is interesting that the percentages for the 'relations' were lowest as regards warmth/cordiality (63.4 per cent) and highest for indifference at 30.40 per cent. On the whole, 'family members' attitude stood at 4 respectable levels (80.8 per cent) on the positive side of warmth/cordiality and at lower point as compared to other six groups on the negative sides of 'indifference' (15.6 per cent) and 'coldness' (3.6 per cent). It emerges that the family members 'by and large' remain 'thick and thin' with warmth, less of empathy and shunning away the familial duties, love, affection and respect.

Table 10.03 : Warmth/Respect, indifference and coldness experienced by the Pensioners from family-members, relations, community neighbours, former colleagues, society in general

Sl. No.	Groups	No. of pensioners Warmth/ respect or cordiality	No. of pensioners indifference	No. of pensioners coldness	Total
1.	2.	3.	4.	5.	6.
1.	Family members	808 (80.80)	156 (15.60)	36 (3.60)	1000 (100.00)
2.	Relations	634 (63.40)	304 (30.40)	62 (6.20)	1000 (100.00)
3.	Caste/community members	636 (63.60)	216 (21.60)	148 (14.80)	1000 (100.00)
4.	Neighbours	669 (66.90)	224 (22.40)	107 (10.70)	1000 (100.00)
5.	Former colleagues	681 (68.10)	178 (17.80)	141 (14.10)	1000 (100.00)
6.	Society in general	669 (66.90)	160 (16.00)	171 (17.10)	1000 (100.00)

Note : Figures within brackets indicate percentages.

10.09 There are various social security programmes for old age, in the country, through various general and specified systems/agencies, such as : (i) Assam Tea Plantations Provident Fund; (ii) Coal Mines Provident Fund; (iii) Coal Mines Welfare Fund; (iv) Employees Provident Fund; (v) Employees State Insurance Scheme (ESIS); (vi) Mica Mines Welfare Fund Scheme; (vii) Plantation Labour Welfare Fund Scheme; and (viii) Workmen's Compensation Act. Besides, there are general pension schemes for government employees retiring under Superannuation and Retirement Rules from the Central Government or State or Local Government. Also there have been initiated old-age pensions by State Governments for the domiciled aged persons of the respective provinces/states.

10.10 The Central Social Welfare Board and State Governments as well give financial grants to voluntary organisations for promoting the welfare of old people. Voluntary organisations, in the country, serve the aged (besides rendering other social welfare services). Some of the organisations are : (i) Ashoka-shram, Surat; (ii) Cheshire Homes for old persons at Bombay, Calcutta, Dehra Dun, Delhi, Kotpadi; (iii) David Sassoon Infirmary Asylum at Poona, Jamshedpur, Serampur, etc. (iv) Friend in Need Society of Bangalore; (v) Grant Govan Memorial Home Society in Delhi; (vi) King George Memorial Home Society; (vii) King's Poor Home, Lucknow; (viii) Little Sisters of the Poor, Calcutta; (ix) Shrimanta Sankar Mission, Assam; (x) Society for Honouring the Aged, Agra. These organisations, however, are mentioned by way of example. There may be some others; these reach only a fringe of the 'aged'.

10.11 One aspect which is not included in the questionnaire but which deserves mention is the distance that separates the retired from their sons and daughters. The distance is both physical and social. The sons and daughters might be employed in far off places and the retired persons - male/female; single/couple - might find invitations from the grown up children to reside with them unacceptable because the aged

would have to forego old friends and acquaintances, or loss of freedom and independence in household management. The social distance might arise if the children or the parents are/were accustomed to higher standards of comfort that could not be presently available for either. The better occupied children might not be able to adjust the not so better occupied ways of their parents, and vice versa. Reciprocal adjustments in attitudes towards the high and low standards might strain mutual relations and might be interpreted as lack of respect, empathy, or loss of status. This phenomenon is as much social (as / <sup>much</sup> it pertains to family as a group) and psychological (as / <sup>much</sup> it pertains to specific individuals).

10.12 The geo-social distance as well as socio-economy or psychological problems could not be wished out of existence. The solutions to these <sup>been</sup> have many and varied - Homes for the Aged; Day care and Recreation Centres for the Aged or Hostels for the Aged or Hospitals for the Aged. But none of these satisfy each individual aged person (or couple) unless there is a readiness on the part of the aged himself/themselves to understand the irreversible process of aging and its concomitants and each should be prepared to adapt psychologically to the family and institutional arrangements. Here, the role of educating/training the retired to orientate themselves to the new "status" and "circumstances" deserves attention.

10.13 It is imperative that follow-up actions in Social Work and Social-Welfare on the problems of pensioners/aged by the   
to be taken Institutes interested in social work and social welfare needs/   
in hand. Surveys and Researches on the various problems of the pensioners   
including and the aged.

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#### Summary

1. A superannuated person is not worried only about his own welfare, but also for his family members and the education, upbringing etc. of his younger children or grand children. For himself he might develop social



complexes as regards earning less income, loss of contacts with friends and relations, difficulty in meeting by moving to a near and dear friend or attend an erudite lecture or participating in a marriage or a social get-together.

2. In pre-industrial society, with a low expectation of life, the aged used to be between 40-50 years and they had a place of respect; but with industrialisation, urbanisation and rise in expectation of life, old people cannot command the attention of the younger and working members of the family and a good number have to look to live in hospitals and nursing homes - under the limitation of incongenial environments set by the competitive market economies where the value attaches to the productive potential of the individual.
3. The survey of 1000 sample pensioners also indicates that out of 483 respondents, 370 did not get service about solving the problem of childrens' education; 294, for childrens' settlement; 286 faced status problem in society; 263 had a decline in getting housing facilities; 230, in getting community and social facilities; and 40, due to loss of a life partner.
4. It came out that 88.5 per cent of the pensioners have been maintaining social contacts - though with some difficulty and less of frequency - and only 11.5 per cent have been unable to enjoy, this social ethos. Some 35.4 per cent, could maintain frequent social contacts; 42.9 per cent, sometimes; and 10.20 per cent, rarely.
5. As regards warmth or indifference, and coldness towards pensioners from family members, relations, community neighbours and former colleagues - 66.9 per cent experienced warmth, respect and cordiality; 16 per cent indifference; and 17.1 per cent coldness. However, specifically from family, 80.8 per cent got warmth; from relations, 63.4 per cent, from community, 63.6 per cent; from neighbours, 66.9 per cent; from former colleagues, 68.1 per cent and from society in general, 66.9 per cent.
6. Social security programmes for the 'aged' in the country are run by various organised employers in Tea Plantations, Coal Mines, Mica Mines, and also through Employees State Insurance Scheme; Workmens Compensation Act, Provident Funds etc. Some voluntary organisations also serve the 'aged' either through housing facilities or through various social welfare programmes.
7. The question of 'geo-social distance' between the old parents and younger sons/daughters either due to 'generation gap' or in regard to "standards of living" of the earning members and the 'aged, might still exist in spite of various social welfare facilities provided by the community. Here the role of educating/training the 'aged' and the retirees/pensioners to re-orient themselves to the new status deserves attention.

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CHAPTER XI

XI. Economic Problems

11.01 In old age - with diminutive income levels and growing expenses on medicines, medical care, some conventional social and festival-time expenses, high prices and heavy taxes - a majority of pensioners experience and suffer from the economic difficulties and a dented standard of living which impinges adversely on their economic and social welfare. This state of affairs make them 'vulnerable' to the onslaughts of inflation - imposed from abroad and also the one generated domestically in an economy of shortages - which is superimposed by sometimes faulty and inefficient supply/distribution systems of essential 'wage-goods' and long wait in queue at the ration shops.

11.02 To assess the degree and type of economic problems the Questions 44 to 47 of the Interview Schedule were canvassed. But of 1000 sample pensioners, 946 (or 94.60 per cent) stated that they face and suffer from economic problems and only 54 (or 5.40 per cent) escape or do not confront economic problems. The information sought about the factors responsible for the economic plight, the 946 pensioners responded mentioning a number of overlapping factors. Out of 946 respondents, for 357 (or 37.00 per cent) respondents, one of the factors is 'inadequacy of sanctioned pension'; 300 (or 31.60 per cent), blamed 'high prices and taxes'; 254 (or 27.00 per cent) suffered from the 'pinch of financial liabilities'; 125 (or 13.10 per cent) felt the 'shortages of opportunities for re-employment'; 74 (or 8.00 per cent) attributed to 'lack of other financial support'; 50 (or 5.30 per cent) felt the pinch of 'decline in standard of living'; and 25 (or 2.65 per cent) assigned to 'fault with distribution system'. (See Table 11.01)

11.03 Information from the pensioners was gathered about their own views/opinions towards improving their economic status (or measures that will solve or mitigate the brunt of

Table 11.01 : Factors responsible for creating economic problems confronted by the Central Civil Pensioners as stated by 946 respondents out of a sample of 1000 pensioners

Sl. No.	Factors	No. of respondents	94.6 per cent of respondents pensioners
1.	2.	3.	4.
1.	Inadequate Pension	357	37.00
2.	Higher Prices/Taxes	300	31.60
3.	Financial liabilities	254	27.00
4.	Shortage of employment opportunities	125	13.10
5.	No other financial support	74	8.00
6.	Decline in standard of living	50	5.30
7.	Faulty distribution system	25	2.65

economic problems), only 946 responded out of 1000 sample pensioners, and they specified some overlapping suggestions to solve the problems : 392(or 41.26 per cent) suggested, 'increase in pensions'; 296 (or 31.16 per cent), for 'availability of casual employment' to pensioners/their children; 193 (or 20.32 per cent), for 'subsidisation of expenses on travel, health, education and other services'; 170(or 19 per cent), for arresting of the price rise; 118(or 12.4 per cent), for sanctioning of government loans/grants; and 35 (or 3.7 per cent), for quick settlement of 'pensions/family pensions' to all. (See Table 11.02)

Table 11.02 : Suggestions emerging from 946 respondents out of 1000 sample pensioners towards solving the economic problems

Sl. No.	Suggestions	No. of pensioners	94.6 per cent of respondent pensioners
1.	2.	3.	4.
1.	Increases in pensions	392	41.26
2.	Casual employment for self/children	296	31.16
3.	Travel, health, education and other subsidies	193	20.32
4.	Arresting of prices	170	19.00
5.	Government sanctioning loans/grants	118	12.40
6.	Quick settlement of Pensions/family pensions to all concerned.	35	3.70



Inflation and its Consequences 11.04 Generally, under 'pension schemes' (jointly both of the public and private sectors) in free enterprise economies - the

final salary scheme (or average last three years' salary or average last 10 months salary) constitutes nearly 50 per cent<sup>1/</sup>; and the rest of the other pension schemes assume different nomenclatures, such as, occupational pensions, or contributory provident funds or national insurance or graduated pensions. The latter ones rest on 'funding' techniques. Whereas, most of the final salary schemes (largely represented by State or Government pensions) are not 'funded'. For meeting the

1/ The pension formula for calculating pension in the USA is :

67.97	per cent of first \$ 110 per month average earnings
22.90	" " " next \$ 290 " " " "
21.40	" " " next \$ 150 " " " "

The maximum actual earnings which are taken into account in reaching the average are \$500 (in 1968) and therefore the maximum state pension for one who is consistently at or above this earnings would eventually get \$2,014 per annum; this maximum pension turned out to be one-third of average yearly earnings, in the USA, of \$6000 (in 1968). Under Italian pension Scheme dates back from the Mussolini era of the last 1930's the formula is a complicated one. The pension benefits are payable at 60 years (for men) and 55 (for women) and are based on average earnings by means of basic contribution fixed - into 23 different salary classes. Basic contributions, by the employer (vary between 0.1 per cent and 0.2 per cent of current earnings. Basic contributions paid prior to 1939 are updated by a multiple of 2.7 and those paid during 1939-43 by 1.5. The total thus built up over the year is treated as below:

- i) 45% is taken of the first Lira, 1500 (but it is 30% in case of women)
- ii) 33% " " " next Lira, 1500 (but it is 26% in case of women)
- iii) 20% " " " balance (without any distinction for women)

Thereafter Lira 100 is added and the resulting total is multiplied by '72' to allow for changes in earnings level. A Christmas bonus of 1/12th of the yearly pension is payable in addition to the normal pension. Ordinarily, for the average wage-earner, the scheme yields nearly 1.75 per cent of average earnings' per year of service. For deferment of retirement by another 5 years upto 65 years an increase by 40% and women 22% for years deferment upto 60 years are allowed.

/for man

expenditures on public pension demands, year to year provisions are made in the budgets. The pension is based on  $n/60$  or  $n/80$  or any other denominator in which 'n' represents the number of years of continuous service - accompanied by benefits of gratuity and options of 'commutation' for a part of the pension.

11.05 Rise in the prices inversely affects the value of money; also the changes in value of money do not equally affect all strata of income levels in the society - some are benefited and others injured. Almost everyone suffers, but some do gain also. Gain of one is a loss to the other; consequently distribution of income and wealth can be phenomenal but it could be hazardous as well. A rise in price to the pensioners <sup>is harmful since they</sup> have fixed pension income and some may have fixed accruals, from portions of gratuity, provident fund or commuted pensions deposited in the banks and in the form of bonds, shares, debentures or might earn rent on properties. In the aggregate the income and assets get adversely affected in their purchasing power. On the other hand, the business class and in some way organised industrial labour gain in income during periods of inflation. During the past 3-4 years (or early 1970's) rise in prices - and inflationary pressures have been inordinately high all over the world, without differentiating between developed and developing countries. Annual increases in prices have been phenomenal - ranging from 20-30 per cent per annum in India.

11.06 The fall in real wages during periods of rising prices, have attracted the attention of the public sector organisations to take steps to neutralise the decline in real wages. In general, the Wage Boards, Unions of Public Undertakings and Nationalised Banks in India etc. have recommended a formula which link the payment of Dearness Allowance/Pay with the changes in the consumer price index. Resultantly, as estimated by the National Commission on Labour about two-thirds of the industrial workers in the organised industrial sector are being compensated on the basis of the movement of the

consumer price index. So also in most of the countries the Government employees get periodical revisions in salaries/dearness allowances. In India, the Pay Commissions, 1955, 1960, & 1972-73 as well as Gajendragadkar Commission on Dearness Allowance (1966-67) recommended the rise in pay scales/dearness allowance/pay.

11.07 However, the compensation for the erosion in pension due to inflation was for the first time recognised, in India, by the Third Pay Commission to provide relief to the Government Pensioners to a certain degree. Above all, the rise in prices has been recognised as a continuing process in all the countries and also recognised by the Planning Commission and the Reserve Bank of India that the prices will perhaps continue to rise in the coming few years. It, therefore, became imperative to compensate not only the Government employees and industrial workers but also to dole out some compensation to the pensioners.

11.08 The neutralisation of the dearness allowance is on a graduated scale under which the highest relief in terms of percentages is provided to the lowest pay slab which tapers off for the higher pay slabs. Therefore, the employees associations demanded, before the Third Pay Commission, that the dearness allowance should be paid as a percentage of pay so that the level of equivalence is established. The recommendations of the Pay Commission stressed that as between different categories, grant of dearness allowance should not completely <sup>be</sup> distorted by the fortuitous operation of the dearness allowance formula. The quantum of dearness allowance and neutralization percentages change in a symphony quite often. Therefore, no change in the dearness allowance payable in different ranges or in the neutralisation through percentage was allowed at different pay levels. As such varying percentages for differences in pay scale became difficult in achieving higher rates of neutralisation at the lower pay ranges and vice versa.

11.09 Based on the above ideas and on the basis of the pay scales which the Commission recommended view-points on a three-stage dearness allowance scheme of 12 months average on :

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(1) 8 points for the employees upto Rs.900/-; (ii) 16 points for employees drawing revised pay in the range of Rs.901-1600; and (iii) 24 points for all employees in the pay range of Rs.1601-2250. The above paragraphs help in identifying the degree of discrimination vis-a-vis the high degree of erosion in the purchasing power of the retirees - in respect of pension and dearness allowance along with the complete obsure of the benefit of equivalence, in relating the pension to the revised grades or at least in according the same status from which the retirees were granted pension.

11.10 A large number of countries have been now providing automatic adjustment in pension payments based on periodic changes in the official consumer cost-of-living index; the countries are Belgium, Canada, Chile, Denmark, Equador, Finland, France, Iceland, Israel, Luxembourg, the Netherlands, Norway, Sweden, the United Kingdom, the United States of America,<sup>2/</sup> Uruguay, Yugoslavia, etc.

11.11 To protect the government employees who retire from the erosion of the purchasing power following fast increases in the future cost of living most of the pensioners/government employees had pleaded, with the Third Pay Commission for granting of dearness allowance to the pensioners at the rate applicable to the government employees. The Comptroller and Auditor General had also suggested the same to the Pay Commission - and in this regard quoted the U.K. Pension(Increase) Act 1971, under which the U.K. Government had abandoned the concept of 'relief of hardship' and had accepted the obligation,

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2/ In the U.S.A., over the past 10 years, social security old-age benefits have been raised by almost 100 per cent -faster than inflation in the decade; public health programmes have been initiated to benefit older people with an annual budget of \$15,000 million. Supplemental Security Income Program (SSI) has been substituted for Old Age Assistance - doubling the eligible elderly peoples' number in low-income stratum; conclusively, the raise in some States is dramatic, private pension programmes have engulfed fully the industrial sector; and property tax relief laws have been enacted in almost all the States of the U.S.A.

without any qualification, to maintain the purchasing power of the public service pensions by reviewing, every two-year the new situation arising out of the 'cost of living changes'. Automatic cost of living adjustment mechanism for pensions was enacted in the U.S.A. in 1972.

11.12 The Third Pay Commission, in India, while accepting the justification of relief on a regular basis to the pensioners also <sup>however</sup> was not in favour of adopting U.K. design-based on the argument that relief to the pensioners should not be allowed at the same rate as is being given to Government employees since the pensioner's family and other responsibilities cannot be of the same order as of the serving Government employees.<sup>3/</sup>

11.13 However, it may be observed that the pensioners also get, on an average, only one-third to two-fifths of their last pay and get only  $\frac{1}{2}$  of the dearness ~~increases~~ that is allowed to the same level of Government employees. In effect, the pensioner (in the factor of equivalence to the same status of Government employee) currently gets only  $\frac{1}{6}$  -  $\frac{1}{5}$  of what the Government employee receives. Actually the pay packet of the Government employee is not only 5 or 6 times of the same level of pensioner, but he is at a higher monetary level, as he benefits (or has benefited) following the recommendations of the Pay Commissions in the form of higher grades and pay scales as the years roll. To that extent, justice is not rendered to the pensioners. Since Independence, thrice the pay scales and grades of the Government employees have been raised - following the recommendations of three Pay Commissions; and resultantly, cumulative 'lack of justice' to the pensioners is probably breaking their back as well as the neck.

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3/ Based on the above considerations, the Pay Commission recommended, irrespective of the amount of pension drawn, for the pensioners a relief at the rate of 5 per cent of their pension-subject to a minimum of Rs.5 per month and a maximum of Rs.25 per month; the relief at these rates is for every rise of 16 points in the 12-monthly average of All India Working Class Consumer Price Index (1960=100). The Pay Commission laid down that the first relief should commence when the 12-monthly average of this index reaches 216. (It is relevant to say that the index in 1975 was '336' and in March-April 1976 '334')

11.14 Besides the aforesaid factors of decline in purchasing power, the Working Class Consumer Price indices also marched ahead, with 1960 as the Base Year (=100), the index was '195' in 1970 - and made its upward rocketing to '324' in 1974 and '336' in 1975 - and at the end of the first quarter of 1976, again, at '324' (see Table 11.03). Also, as compared to base year 1949, the indices will be '595', '410' and '495' respectively for the years 1974; 1975 and the first quarter of 1976. Incidentally it may be observed that the risk of inflation is not annihilated - but is gaining in momentum as the Prime Minister pointed out on 13th September 1976 at Trivandrum while inaugurating the 220Km. Trivandrum-Ernakulam Broad gauge line..."inflation is still there round the corner waiting to stage a come back...We have still to exercise financial discipline and curtail Government expenditure. This has to be balanced with the Welfare Programmes."<sup>4/</sup> In the newly index

Table 11.03 : Working Class General Consumer Price Indices for Delhi

Year	Indices	General Food index
1.	2.	3.
1939		(100)
1949	82	(100)
1951	89	108.5
1956	90	109.8
1960 (Base Year)	100	122.0
1966	147	177.2
1970	195	(238)
1974	324	(395)
1975	336	(410)
1976 (March-April)	324	(395)

4/ When the 1972 legislation was enacted, in the USA, for automatic raising of pensions in line with cost of living index, the inflation was not galloping one nor was it anticipated to escalate. But when the Advisory Council on Social Security met in 1974, the adjustment issue became a central one for the Council and it recommended the changing of the automatic adjustment mechanism. But it is not likely to accept the recommendation of the Council because of political and moral constraints but also the pension benefits even earlier were generally at low level - and even now for a sizeable number of the 'aged' benefits fall short of adequate income in retirement.



wholesale prices<sup>5/</sup> with 1970-71 as the base year, the price index is at '172' in 1976 - suggesting an average rise of about 14 per cent per annum.

11.15 Reduction in income below the subsistence level is an accompaniment of the period after 55-58 years (or retirement) in developing countries; and in developed countries it is 60 at years (except in a few countries where the people leave the labour market at a higher ages of 65-70 years).<sup>6/</sup> Economic distress is large in old age - and it is distressing in a large number of developing countries. In the latter group of countries, where public policies for income maintenance and security in old age have not even been thought upon - and therefore efforts for and alleviation from economic plight are almost alien - and it is frustrating for the aged when both public and private sectors close doors of employment for the aged. Seeking of outside economic aid, is a jolt on the self-respect of the 'aged'. One of the way out - without affecting the self-respect of the aged - is to raise the purchasing power of the monetary income by allowing the facilities to purchase usual needs or other 'goods' should remain open for the retirees from the canteens (of Defence Department) and/or consumer cooperative society; and to avoid confusion, pensioners should be issued identity cards. This card should as well be made valid for getting concessions in Railways and other public transports - since pensioners do not get income-tax rebate/relief for maintenance of a conveyance (either a car or a scooter). Similar facilities need to be continued in regard to Milk Card, fuel gas, etc. Another way to neutralise the fall in monetary and real incomes is in case of educational expenditures that the pensioners have to incur. The

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<sup>5/</sup> The definition of 'older' is constantly being lowered, in highly industrialised and developing societies to the point that an individual over the age of 40 years feels his age as an economic handicap : Increasingly people are seeking retirement at 55 years and 45 years in Canada or U.S.A. and claiming early benefits under pension programmes. If they are over 45 years of age they face great difficulty in securing new jobs.

<sup>6/</sup> As announced by the Government of India on January 13, 1977.

educational benefits (e.g. subsidised school fees, related to the capacity to pay) should not cease, following retirement; in fact, the amount be increased since the income is also reduced with retirement. Again, most people marry late, therefore, they have school or college going children, and to mitigate/avoid the expenses becoming a nightmare, dawn of State protection is essential.

11.16 Often it is argued, whether economic support for the aged is an inherent 'earned' right; perhaps it is a right; and also the 'duty' of the community of earning members to bear the moral duty because in the latter's child life, the erst-while workers (and now retirees or aged) supported them as also the aged. In addition, the 'gerontologists' point out that most of the aged people can and will maintain themselves if the society does not close the 'opportunities to work'. They feel that the aged can successfully compete with younger job seekers as they have more experience and skill etc. - and these often balance more over the economic negative elements. In this context, it is purpose that the present ban on class I officers of 'two-years' immediately after retirement' to accept commercial employment is not meaningful because after two years' unemployed status and passage of time, pensioners usefulness is reduced. In order to maintain physical fitness and mental alertness, 'occupation of work' should remain alive.

11.17 The final salary scheme takes care of the inflation (via upward revisions in the pay scales - following the recommendation of the Pay Commissions periodically either quinquennially or decennially) upto the retirement age. However, this action often does not address itself to the impact of inflation on the 'purchasing power' of the static pension income. Generally, with the upward movement in income levels and the levels of living, the longer a 'pensioner survives' he is scheduled to suffer from the falling value of his pension - income, unless it is mitigated through the neutralisation - equivalent to the rise in the consumer price index. In some of the countries, there exists an 'insurance' system to

guarantee compensation for rise in prices upto 2.5 per cent per annum - with an exemption of tax on the 'insured gain', from the Exchequer.

11.18 An acute incidence burden of inflation is felt by the fixed income earner like the pensioners when the consumer price index moves upwards. It becomes highly regressive when the speed of the upward movement is quite fast. The Central Government civil pensioners (and for that matter perhaps the pensioners of the State Governments and the Local Governments), over a long period have been the prey of the incessant fall in their real income. The real incomes of the pensioners have been lagging very much behind; and their income increases, if any, are at a very slow speed - whereas the consumer price indices have been galloping fast (See Tables 11.03, and 11.04).

The growth in consumer price indices gives a startling impression and it demonstrates that the pensioners' plight in regard to the purchasing power in their income of pension has been very much frustrating. To illustrate, it can be said that those who retired in 1940's, their fixed pension incomes' purchasing power has eroded almost by 94% - leaving a residue of only 6% purchasing power (cf. consumer price index in 1975 at 1960 with 1939 as base year at 100); and those who retired at the end of 1940's and in 1950's, the erosion in pension incomes' purchasing power is almost 75% - leaving a residue of only 25% of purchasing power (Cf. consumer price index in 1975 at 410 with 1949 as base year at 100). Again, those who retired in 1960's, the erosion in their pension incomes purchasing power has been 70% - leaving a residue of only 30% purchasing power (Cf. consumer price index in 1975 at 324 with 1960 as base year at 100). Further, those who retired in the first half of the first quinquennium of 1970's, the erosion in their pension incomes purchasing power is by 36% - leaving a residue of only 64% of purchasing power (Cf. consumer price index in 1975 at 324 and 197 in early 1970's with 1960 as base year at 100). See Graph 11.01 for the effects of changing purchasing power of the various categories of pensioners.

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Table:- 11.05: Changes in the Pay Scales and Pension Entitlements for different categories of Central Civil Employees (1940's - mid 1970's)

1	2	3	4	5	6	7	8	9	10
S.No.	Posts/ Positions	During 1940's	Pension entitle- ments of col.-3 1940's	Report of Just- ice Var- mants of 1st Pay col.5 Commission 1950	Pension entitle- ments of Justice Jagannath Das/Pay Commission 1957-59	IInd Report of Justice Raghwarda- val IInd Pay Commi- ssion 1973	Pension entitle- ments of col. 5	Report of Justice Raghwarda- val IInd Pay Commi- ssion 1973	Pension entitle- ments of col.9
1.	Lower Division Clerk (IGC)	90-170	85 (100)	60-170 (100)	100-180	67.50 (79.42)	200.400	165 (194.12)	
2.	Upper Division Clerk (UDC)	100-300	150 (100)	80-200 (66.66)	80-220	82.50 (54.84)	300-560	231 (154)	
3.	Assistant	200-500	250 (100)	140-400 (80)	110-530	173.75 (69.50)	425-800	300 (132)	
4.	Superintendent/ Section Officer	600-800	500 (100)	500-600 (90)	350-900	450 (90)	650-1200	660 (132)	
5.	Assistant Secy/ Under Secy.	1000-1250	400 (100)	750-900 (75)	900-1200	337.50 (84.37)	1200-1600	495 (123.75)	
6.	Jr. Administ- rative Grade/ IAS	800-1600	500 (100)	450-950 (95)	900-1800 (1800-2000) Selection Grade	675 (135)	1500-2000	825 (165)	
7.	Sr. Administ- rative Grade/ IAS	400-2500 ICS	500 (100)	400-1800 IAS (135)	3000 (4000) ICS	675 (135)	3500 (4000)	1000 (200)	

- Notes:- 1. Figures within brackets indicate indices for different categories of Central Civil Employees.  
2. Before Pay Commission, the maximum pension entitlement was 50% of the basic pay; afterwards it was 37.5% upto 31.12.1972; and thereafter 41.25% following recommendation of the Third Pay Commission.



Table 5.05 shows the changes in 'pay scales' and 'pension entitlements' of various categories of Central Government Civil Employees at different points of time during 1940's to the mid 1970's alongwith the indices of changes. These changes occurred due to inflationary trends, rise in the volume of work, and levels of responsibilities and revisions in pay scales arising out of three Pay Commissions during the above mentioned period. Nevertheless, it will be seen that more or less static levels of pension entitlements remained for categories such as, senior IAS, LDC's, UDC's and Assistants; however, the categories of senior IAS and other junior Administrative cadres indicate improvements. Nonetheless, it can be averred that the upward movement has been at a snail's pace for Assistant Secretary/Under Secretary cadre. All these changes are graphically represented under graph 5.01.

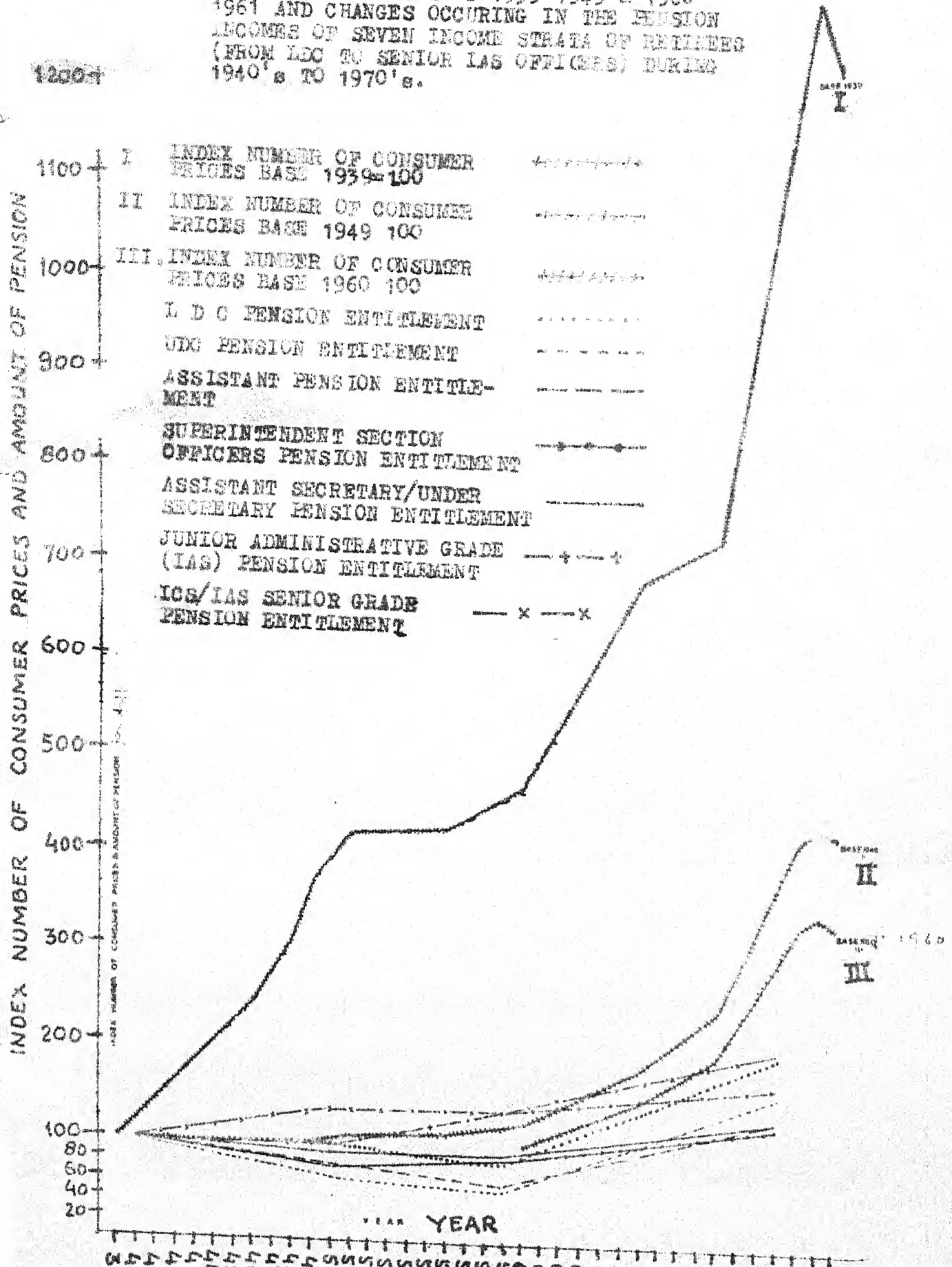
Further in Table 11.06 "Working Class General Consumer Price Indices for Delhi" are shown with bases (1939 = 100; 1949 = 100; and 1960 = 100). The "Base Index of 1939" has gone to about 1200 for 1975-76; the "Base Index of 1949" to about 395; and "Base Index of 1960", to about 325. These upward movements of consumer price indices have marched much faster, as compared to the growth in pension entitlements. In consequence, the real income of the pensioners eroded correspondingly. But in case of low-income retirees the erosion has continuously been a cause of abject misery.

From the practices that are being followed in various developed and developing countries, it emerges that within the pension policy in built measures exist to adjust pension entitlements according to changes in



/pensioners the consumer price indices. In India, some steps in this direction have been taken both for the central and state level since 1973, to protect them against the onslaughts of inflationary hikes that became frequent during 1970's; in spite of it, the adjustments have not allowed full neutralisation and have unfortunately been half that of the regular employees. It is, therefore, imperative and urgent for the government to forge policies which would compensate the purchasing losses of the pensioners. In particular, in relation to Indian conditions, as they have shaped during the last three-and-half decades, it is important to note that older a pensioner, more compensation is called for to neutralise the incidence of inflationary impact and younger the pensioner, less compensation is necessary because the erosion to the older pensioner is almost 95% of his sanctioned pension whereas the degree of losses to pensioners of later dates come down - but they are of lesser incidence at present.

CHRONOLOGICAL GRAPHICAL REPRESENTATION  
OF THE MOVEMENTS IN THE CONSUMER PRICE  
INDICES WITH BASES OF 1939 1949 & 1960  
1961 AND CHANGES OCCURING IN THE PENSION  
INCOMES OF SEVEN INCOME STRATA OF RETIREES  
(FROM LDC TO SENIOR IAS OFFICERS) DURING  
1940's TO 1970's.



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15. Housing Research Council of Southern California :  
The Architect Looks at Housing the Aged. (Los Robles Ave,  
Pasading, 1953)
  16. Minnesota Commission :  
Minnesota's Aging Citizens (Final Report of the Minnesota  
Commission on Aging, Dec. 1952)
  17. Randall, Ollie, A. :  
A Twentieth Century Philosophy for Homes for the Aged.  
(Originally Published in Proceedings of the New York  
State Conference on Social Work, Buffalo, 1949. Reprinted  
by the National Committee on the Aging)
  18. Royal Institute of Public Administration :  
Planning Welfare Services for the Elderly (1971)
  19. United States Bureau of Employment Security Washington :  
Counselling and Placement Services for Older Workers.  
(1956)



Table 11.04 : Hypothetical cases of a junior employee and a Senior Officer in regard to salaries and pensions and the impacts on their emoluments with assumed inflation rates

	P.M. Basic Pay at 20 years age Rs.	P.M.S Basic Pay at 60yrs. age Rs.	P.M.Pen- sion sanctioned at 60 yrs. age Rs.	P.M.Pension size at 70 yrs.age (10 yrs. after) Rs.	P.M.pension size at 80 years(20 yrs. after) Rs.
	Salary & Pay revisions		Inflation effect on pension income		
<u>U.D.C.</u>					
I.	75	200	<u>75</u>	<u>75</u>	
<u>Add inflation rate</u>					
Infla- (1) 2 per cent	75	245		91	111
tion (2) 3 " "	<u>75</u>	360		101	135
with (3) 10 " "	<u>75</u>	360		195	505
stabi- (inflation lity with inst- ability)					
<u>Senior Gazetted Officer</u>					
II.	<u>750</u>	2000	675	<u>675</u>	
<u>Add inflation rate</u>					
(1) 2 per cent	<u>750</u>	2450		822	1002
(2) 3 " "	<u>750</u>	3600		906	1216
(3) 10 " " (high rate)	<u>750</u>	3600		1760	4539

11.19 It is obvious from this (radical record of the movement of the inflationary trend) that those who retired at a later date were less sufferers than those who retired in early periods - as can be observed from the fact that the purchasing power of the pension of those who retired in 1940s is only 6% today and only 25% for those who retired in 1970s; or it can be averred that the least sufferers have been those, who retired in 1970's because they simultaneously, had the benefit of relief in the form of a maximum of 5% of the basic pension of which they have received five such instalments. Therefore,

their neutralisation has been 25% of their basic pension. However, this compensation is not full; it is only partial. As regards the earlier retirees the compensation is very marginal and it does not even solve a problem of the earlier retirees; and their woes it can be imagined.

**11.20** In the background, it is important to note that over time (from 1940 to 1975), there have been revisions of pay scales three times for the central civil services (first in 1950, by Vardachariar Pay Commission, second, in 1959, by Jagannath Das Pay Commission; and third, in 1973 by Raghubar Dayal Pay Commission). The first Commission had led to blanket reduction in the pay scales, but the last two Commissions raised the monetary pay scales of the Central Government employees. In effect, therefore, those who retired at later dates had a partial element of neutralisation of pension incomes as compared to earlier retirees; the latter ones did not have the benefit of the rise in pay scales and also the liberalisation in pension and gratuity provisions.

**11.21** Net neutralisation, in the case of L.D.C. could be only to the extent of 6% for the retirees of 1940s and 1950s; whereas can be about 35% for the retirees in the early part of the first quinquennium. But it is important to note that if the basic pension level of those who retired in 1940s, 1950s, and 1960s is brought to the level of 1970 pay scales, there will be a meaningful increase both in their basic pension as well as in the pension relief. As regards the neutralisation of the pension of the U.D.C. is concerned, he is in a greater plight all through, and the Assistant and the Superintendent/Section Officers, in a worse condition. But the hierarchy of the Assistant Secretary/Under Secretary are in the worst situation. However, those who are/were above the Under Secretaries, (that is the IAS in the junior administrative grade and the IAS in the senior grade) get relatively more benefit - even better than the LDC, and the benefit maximises as compared to all the cadres. In proportional terms, the L.D.Cs and the senior grade IAS are almost rubbing the shoulder (for data

of this analysis please see Table 11.04) in receiving benefits in pension-income; but these have, in any case, been neutralised at the fringe only.

11.22 A hypothetical exercise is presented in Table 11.05, in which two cases have been taken : one of the UDC and the other that of a senior Officer. It is assumed that the basic pay of the UDC begins at Rs.75/- and on account of the future pay revisions under three alternative rates of inflation (of 2%, 3% and 10%) it happens that after 20 years of service the basic pay grows to Rs.245/- purely on account of "2% inflation with stability" and the other 3% where the rise is to Rs.360 basic pay; and in case of inflation with instability of 10%, the basic pay becomes Rs.360/-. All these changes happen after rendering a service of 40 years. The senior officer begins at Rs.750/- and his basic pay grows to Rs.2450/-, and Rs.3600/- under the three different rates of 2%, 3% and 10% inflation over a period of 40 years.

11.23 A pension of Rs.75/- is sanctioned after 40 years service at the age of 60 years. The pension becomes after 10 years Rs.91/- if the rate of inflation is 2% and Rs.101, if 3%; and Rs.195, if 10%. The same will further grow at the end of next 10 years respectively the pension grows to Rs.111, Rs.135 and Rs.505 under the spell of three different rates of inflation.

11.24 In the case of the senior Officers, the basic pay starting at Rs.750/- at the age of 20 years and grows to Rs.2450 and Rs.3600/- (because of pay ceiling). The pension of Rs.675/- will grow to Rs.822/-, Rs.906/- and Rs.1750/- under the three different inflation rates in the first 10 years' period of retirement and to Rs.1002, Rs.1216 and Rs.4539 after 20 years of retirement under the spell of 3 different rates of inflation respectively (for details see Table 11.05)

11.25 A series of Pension Increase Acts, in the United Kingdom, have provided for compensations of the increases in cost of living to the pension earners - during their retirement. In France, for post-retirement period, increases are affected in relation to the present notional final salary (that is, what



a retiree could have received had the present salary scale been in force at the time of his retirement. In Finland, basic pension is increased for each year's deferment of retirement by 12.5 per cent for each year - subject to a total increase of 62.5 per cent. Pensions are further adjusted automatically as the cost of living moves up by more than 5 per cent. In Germany, there are no automatic increases after retirement - but the process of increasing in pensions takes the same course as it does in the United Kingdom (where also since the 1970's automatic adjustment is in vogue). In Italy, no automatic increases were in operation for the post-retirement period, but the coefficient which was '72' in 1968 is adjusted from time to time when there are changes in the "cost of living". In the Netherlands, pension benefits are reviewed every 6 months and adjusted automatically, if the general wage-index moves up by more than 3 per cent. It is pertinent to recall attention to the innovative pension reforms that have taken place in ~~three~~ countries, namely, Germany, Sweden and Belgium - with the aim of maintaining living standard during retirement. One of the criteria proposed is to adopt an adequacy of income standard for social security old-age benefits which would provide inflation protected benefits equal to at least 55 per cent of the individuals or family's (if married) pre-retirement average earning during the best ten of the last fifteen years prior to retirement (with specified minimum and maximum benefit levels).

11.26 When inflationary situations develop, the pensioner as a fixed income earner is put at disadvantage; and in quite few countries, of late, provision is made <sup>by</sup> to neutralise the incidence of inflation almost fully -/relating it to the rising cost of living. Few people often do not take stock of the implications of inflation; at least the inflation rate, with stability and development, of 2-3% is now allowed and for that built-in provision is made in raising the pay scales and therefore the pension value at the time of retirement. In taking

stock of price rise, a stock of rise in salary levels over time of the state or government employees is usually taken for granted. To illustrate, it be supposed that a person (say, an Upper Division Clerk) at the age of 20, begins his basic pay at Rs.75 p.m. and reaches the maximum of Rs.200 p.m. at the time of retirement after 40 years' service. Another senior Gazetted Officer commencing his salary at Rs.750 p.m. reaches the maximum of Rs.2000 p.m. after 40 years' service. Within this dynamic movement of earnings; an annual compensation of 3-4 per cent is assumed, the total pension amount will further grow at different time -terminals according to consumer price/

/indices  
(See

Table 11.03)

and  
11.27 Pre-retirement planning and counselling, training for 'second careers', of the retirees/pensioners will lead to successful adjustment to retirement. However, it is the 'unwarranted leisure' that is the headache, and inducting the retirees for 'voluntary work' according to their faculties can be a factor of refrain. It is important, for Government, to consider ways and means to maximise the independence and interdependence of aging and other requests of the population- and to utilise the resources and potentials inherent among older persons in the population. In this direction, it is imperative that social policies and programmes should aim at recognising the implicit positive resources of the older population (rather than only listing the negative elements) such as, levels of education, ability to work and voluntary capabilities. Such aspects need to be reviewed and redefined, say, every ten years as the identities, relative factors and conditions change as the new generation of individuals join elderly age-groups.

11.28 'Income Maintenance', however, depends on reasonable replacement<sup>and</sup> adjustment of benefit levels according to increases in productivity and rising levels of living. In India, a number of States<sup>7/</sup> have initiated during the last 5-10 years, the pension for all the 'aged' over 60 or 65 or 70 years age - only if they have precarious income. Also increases in ex-gratia benefits to the central and state retirees besides

7/ See Table 5.03.

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dearness reliefs have been allowed following the recommendations of the Third Pay Commission. However, in case 'means tests' are elusive, administering of the relief benefits should better be individualised and should be equally applied to 'pensioners' and the 'aged'.

11.29 One of the suggestions to protect the erosion in the income and 'lump-sum cash' received by the retirees is (at the time of retirement or before or afterwards)...that the pensioners should be offered by the Government the facilities of investing their assets created in the forms of Provident Fund, Gratuity, Commuted Pension, etc. "to purchase bonds with Guaranteed purchasing power both of the original invested amounts and the interest earned on them; this adjustment or hedge against any inflation will form a great security for the pensioner. Primarily the Governments - who initiate, manage and supervise the economy, price, interest, wage, rate of exchange, export/import policies have to be invariably responsible for inflation since through inflation and deficit financing they expropriate the capital of the investors. Therefore, it is the duty of the Government to retrace all the obligations of escalation clauses so popular in wage-contracts and foreign trade contracts. In this regard it is recommended that actuarial status be given for valuing over time the pension elements in order to remit/disburse the real value of the 'pension amount'. Constant purchasing power bonds - in the form of a financial asset - has been recommended by two eminent American Economists, namely, James Tobin and Milton Friedman - to be sold by the Government to the Pensioners/retirees to protect their 'savings' from being affected adversely



the  
consequent on inflationary situation(s) so that 'bonds'  
are adjusted, at the time of cashing with a view to neutralise  
inflation over the intervening period.

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Summary

1. In the old age - with diminutive income levels and increasing expenses on medicines, medi-care, some conventional social and festival-time expenses, high prices and heavy taxes - a majority of pensioners experience and suffer from the economic difficulties and a dental standard of living, which impinges adversely on their economic and social welfare. Nearly 94.6 per cent of the sample pensioners stated that they suffer from economic problems - and they suffer from overlapping specific problems. 37 per cent suffer due to 'inadequacy of sanctioned pension'; 31.6 per cent blamed high prices and taxes; 27 per cent from 'the pinch of financial liabilities; 13.10 per cent, felt 'lack of re-employment opportunities'; 8 per cent attributed to 'a lack of other financial support; 5.3 per cent felt 'pinch of decline in standard of living and 2.65 per cent blamed 'faulty distribution system'.
2. Out of 946 pensioners, in their opinion, mentioned the steps that can mitigate their problems : 41.26 per cent, suggested 'increase in pensions'; 31 per cent, 'availability of casual employment'; 20.32 per cent, 'subsidisation of expenses on travel, health, education and other services'; 19 per cent, 'arresting in rise in prices; 12.4 per cent, for sanctioning of government loans/grants; and 3.7 per cent for 'quick settlement of pensions/family pensions.
3. The incidence of 'inflation' <sup>was</sup> felt very acutely by the pensioners amongst the fixed income group; and a quite many governments (USA, UK, Italy) have recognised to compensate the fall in their real incomes. Three years back Government of India have also been giving dearness relief to the pensioners, following the recommendation made by the Third Pay Commission (1973) - as is done by granting dearness allowances/raises in pay - scales to the regular employees.
4. However, the central civil pensioners (and perhaps other State and Local Government pensioners), over a long period, have been suffering with incessant fall in their real income - their real income have been lagging very much behind and their income-increases; if any, are at a snail's pace - whereas, consumer price indices have been galloping fast - as can be seen from Tables 11.03,

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11.04 and the Graph 11.01. Those who retired in 1940's, their fixed pension incomes' purchasing power has eroded almost by 94 per cent - leaving a residue of only 6 per cent purchasing power (Cf. consumer price index, in 1975, at 1960 with 1939 base year at 100); and those who retired at the end of 1940's and in 1950's, the erosion in their pension incomes purchasing power is almost 75 per cent - leaving a residue of only 25 per cent purchasing power (cf. consumer price index in 1975, at 410, with 1949 base year at 100). Again, those who retired in 1960's, the erosion in their pension incomes' purchasing power has been 70 per cent - leaving a residue of only 30 per cent purchasing power (cf. consumer price index in 1975, at 324, with 1960 base year at 100). Further, those who retired in the early part of the first quinquennium of 1970's, the erosion in their pension incomes' purchasing power is by 36 per cent - leaving a residue of only 64 per cent purchasing power (cf. consumer price index in 1975, at 324, and 197 in early 1970's with the base year 1960 at 100. Following the Third Pay Commission's relief upto a maximum of 25 per cent by five instalment of 5per cent each has been given to all the pensioners - and it can be said that those who retired in 1970's have been, in some way, the beneficiaries of the neutralisation of the incidence of inflation.

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It is also true that over time (from 1940-1975), there have been revisions of pay scales three times (in 1950, 1959 and 1973); the first lead to blanket reduction in the pay scales, and the last two improved the monetary pay scales. In effect, those who retired at later dates had a partial element of neutralisation in the erosion of real pension-income because of the rise in pay-scales, and also the liberalisation in pension and gratuity provisions - of which the net neutralisation are highly marginal for earlier retirees, and little above marginal for the later retirees.

6.

Economic distress is writ large in old age and for pensioners and it is stark in developing countries. Economic support in old age is an inherent earned 'right' and it is the duty of the community to bear the dutiful execution of it because in the latter's child life and erstwhile workers were supported by/who are now retirees. Further, many of the gerontologists feel that aged can and will maintain themselves in a competitive market, if the society does not close the 'opportunities to work' for the aged.

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A hypothetical exercise of the starting basic pay of Rs.75/- p.m. for a Upper Division Clerk at the age of 20 years - becomes Rs.200, Rs.245 and Rs.360 under the spell of the inflation rates of 2 per cent, 3 per cent

and 10 per cent respectively in 40 years service rendered upto the age of 60 years. In all the three cases he earns respectively the basic pension of Rs.75, Rs.92 and Rs.112; and the same pension grows to Rs.91, Rs.101 and Rs.195 in ten years' time under the pressure of the above three rates of inflation. Again, after next ten years time plumps to Rs.111, Rs.135 and Rs.505 under the same three inflationary conditions. However, it is important to note that plumping of monetary amounts does not enhance the real purchasing power of the base pension.

Similarly another case of a senior officer starting with a basic pay of Rs.750/-p.m. at the age of 20 years, becomes Rs.2450, Rs.3600 and Rs.3600 (because of ceiling pay) after 40 years service at the age of 60 years under the spell of three inflation rates. In all the three cases, the basic pension sanctioned will be Rs.675/-; but after ten years of retirement the pension amounts will grow to Rs.822, Rs.906 and Rs.1750 under the aforesaid three inflation rates. Again, the pension amount develops to Rs.1002, Rs.1216 and Rs.4539 in the next ten years under same three inflationary situations. Nonetheless, it is essential to observe that the rise in monetary income is only a measure to neutralise the incidence of inflation and it in no way raises the purchasing power of the basic pension.

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CHAPTER XII

XII. Health Problems of the Pensioners/Aged

12.01 Every individual, at any time, is likely to be sick, weak or disabled; and perhaps a particular disease is not related to old age alone. Nonetheless, the aged are open to ailments, but some of the aged may be quite healthy and may not fall sick. Ailment could be the function partly of unemployment, partly of declined income and partly arising from family split. A Survey of the 'aged' carried out in Lucknow, in 1964-65 (as referred to earlier) found that out of 390 aged respondents in the survey, 85.38 per cent had impaired eye-sight; 3.33 per cent, blind; 5.64 per cent were suffering from diabetes and were as well impaired; and 4.62 per cent, were 'hard of hearing'; and the rest were suffering from 'paralysis and/or deafness and dumbness'. Further, the incidence frequencies were the least in the age-group 65-69 (being only 60 out of 390), but highest incidence frequencies were 115 in the 'age-group' 55-59 - followed by 110 in the age group 55-59 and 105 in the age-group 60-64. Further, according to a Bombay survey (consisting of a sample of 600 'retirees' from government or semi-government organisations) 88.3 per cent were having, on the whole, good health before retirement - but the number was lower at 425 (or 71 per cent) during retirement. Of them, 22 per cent, suffered from 'difficulties in vision'; 24 per cent, from 'blood pressure and heart trouble'; 16 per cent, from 'pains in joints'; 9 per cent from 'diabetes'; 9 per cent, had difficulties in 'hearing'; and 6.5 per cent from 'sleeplessness (or insomnia)'. The proportions for different ailments in Bombay Survey are nearer to Delhi's pensioners, in spite of this, the proportions turned out generally lower in case of Delhi. (Refer also to para 4.06 to 4.07).

12.02 In economic, cultural, political and social systems, age structure of the population is an important factor; not only roles and personalities of the 'aged' get transformed but even the structure of sex-ratio, living standards, mores and norms in society, for the 'aged' change - resulting in complex

of processes and interactions of the organism through time - in the stages of (a) growth (b) development (c) maturation and (d) decline.<sup>1/</sup> The last effect (that is, decline) in the organism, commences in the old age - when dampening occurs in (1) power of responses (2) motor and sensory functioning, (3) energy and resistance strength along with acceleration in chronic maladies of disabling character; (4) perception of vision and hearing; (5) nervous system; (6) endocrine glands and metabolism; (7) memory, adaptability and learning ability. Rigidity in life-style - as consciousness of 'old age' dawns on retirement - develops steadily in old peoples' psychology which sprouts negative assessment of themselves. Aged - being the vulnerable sector of the population - require a variety of preventive and social measures throughout life-span in which appropriate balanced food and diet nutritional care can be assured.

12.03 According to Dr. Charles S. Backett aging is one of those changes that occur in an individual with passage of time; these changes are legion - anatomical, physiological, psychological, social and economic; resultant end-product being the vector of all the aforesaid forces. Aging consists of two components : anabolic and catabolic; the former builds up and the latter breaks down; first two decennia of life are anabolic - characterised by growth and development while the last two or three decennia are catabolic; in the mid-period generally subtle balance operates in between growth and decay. The foregoing is exemplified, by the marked degenerating changes that occur in umbilical cord as it withers and is cast off in the very first week of life; and thymus atrophies by the age of two.

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<sup>1/</sup> Similar to four periods in Hindu stages of life : Boyhood (Balya Avastha), Youth-period (Yuva Avastha), Maturity (Paripakva Avastha), and Old Age (Vridha Avastha).

Dr. Backet once heard two conversations which went like this: "He is too young - immature - lacks experience and judgment", and another, "He is too old- washed up - turn him out of pasture". Both the subjects were of identical age of 'forty'; the first was the youthful candidate for Vice Presidency of the U.S.A., Richard Nixon and the second was a worn-out baseball pitcher, Bob Feller. Thus ways of life and age-bracket may not have a high correlation (Source : Towards Better Understanding of the Aging - A Seminar on the Aging, Aspen, Colorado, September, 1958 - Council on Social Work Education, New York, 1959). Also on this view, there are supporting legislative documents.

12.04 The medicare services are poorly available to the central civil pensioners, at present, in areas which are not served by CGHS<sup>2/</sup> - and in urban areas, there is immediacy for providing mobile health services and home-care services for rehabilitation. With the social break-down of the family - following industrialisation and urbanisation - there is no insurance against loss of income to the 'aged', on the other hand, it causes emotional disorders unless social climate is made congenial by the society to the needs of medicare and medicaid facilities for the 'aged'. Vast differences exist amongst individuals, at a certain age and more so for those who are in their sixties, seventies, eighties etc. Yet, it is unfortunate that statistical details are not available, to delineate functional and social potentialities of the 'aged' and various other age groups. Whatever progress that has taken place in this direction, is still in its infancy. In the absence of proper knowledge it becomes difficult to fashion policies - leave aside their implementation. Resultantly, the field of 'social gerontology' remains a highly unexploited area within the realm of social science researches.

12.05 **Broadly** the Government retirees - who were taken in employment when they were young and after medical tests, in

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<sup>2/</sup> Central Government Health Services (of the Government of India)



general, maintain a high 'survival rate' not only while in service but also as retirees. Therefore, their physical disabilities relatively are few and less exacting. The universal membership of C.G.H.S. (where CGHS facilities exist) for all regular employees and the retirees in Delhi (see Table 12.01) and also elsewhere as well, have been factors in raising their survival rates. In any case, medical aid facilities for the 'aged', in general, are poorly provided in a global system of free medical aid - provided to all sections of the population. Civil Central Government retirees have registered higher trends of 'survival rates' over time; for example, as shown in Table 12.01, the survival rate for the Gazetted Officers improved from 81.24 per cent for the period 1940-50 to 88.57 per cent for the period 1960-70; for Class III retirees, from 78.43 per cent to 81.82 per cent, and for Class IV retirees from 74.92 per cent to 76.67 per cent.

12.06 Aged have a variety of basic needs regarding community services and also social relations - besides housing and health facilities; all these services are required by all age-groups. However, quite many services are directed towards infant

Table 12.01 : <sup>of</sup> Survival Rates/Central Pensioners of different classes for the periods 1940-50, 1950-60 and 1960-70

Period	Gazetted officers	Class III	Class IV
1.	2.	3.	4.
1940-50	81.24	78.43	74.91
1950-60	85.31	75.93	72.43
1960-70	88.57	81.89	76.67

Notes : Gazetted Pensions sanctioned in 1940 were 501 of which survivors in 1950 were 407; In 1950 the pensions sanctioned were 177 and the survivors in 1960 were 151; and in 1960, 595 pensioners were sanctioned of which 527 survived in 1970. About the Class III and Class IV the position was as under :

		Pensions sanctioned			Survivors
Class III	In 1940	3992	In 1950		3131
	" 1950	1866	" 1960		1417
	" 1960	3044	" 1970		2493
Class IV	" 1940	1419	" 1950		1063
	" 1950	601	" 1960		433
	" 1960	776	" 1970		595

Source : Third Pay Commission, Vol. I, Chapter 60, Table III page 42 (1973)

needs, maternal health and infectious and communicable diseases but the aged-group does not get the attention and more particularly <sup>in regard</sup> to the old-age chronic ailments<sup>3/</sup> and disabilities-following loss of work, social contacts and demise of near ones. Very little has been done by the Government in this direction which could go to help the aged to mould themselves to new situation; in the advanced countries, increasing emphasis is being laid for the individual elderly people and groups of them- but in the developing countries, effort in this respect is 'nil' or negligible.<sup>4/</sup>

12.07 Elderly people need to be assisted to raise their mobility for going to seek medical facilities, shopping, meeting or calling on relations and friends or in social community functions - to enjoy a bit of social ethos. In particular, specialized programmes should desirably be mounted to fit the tests of the aged - such as, social counselling and imparting of education throughout the life. For this purpose, transport facilities similar to those offered to students and social workers (either free or at highly concessional rates, etc.) should be provided for them. So also, group transport services at fixed hours to facilitate movements to shopping areas, dispensaries, community centres and to attend some social and entertainment programmes cinemas etc. help in obviating various obstacles confronted in mobility by the senior citizens.

12.08 With the above background, it is relevant to analyse the responses received and the views and opinions tendered by the 1000 respondent retirees; 405 (or 40.50 per cent), faced decline in health and the attendant problems; and the rest of the 595 (or 59.50 per cent), were not visited by health problems. Again, those who suffered from one or two of the

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3/ The kinds of such diseases are : Cardio-Vascular, accidents, neoplasms, renal these diseases can be attended periodically through multiphasic, social and health screening programmes.

4/ Disabilities are caused by malnutrition, dehydration, changing anatomic function, and can be corrected through health checkups, dietary counselling etc. optimally phased in timing.

diseases replied to this part of the Questionnaire and they were 405.<sup>38</sup> stated . Many of the respondents did not feel ailments as health problems; and such ailments were amenable through ordinary care and a majority of them, that is, about 72 per cent aggregatively were the patients of (i) general debility (25.50 per cent); (ii) stomach disorders, (24.00 per cent); (iii) heart trouble and/or blood pressure; 22.2 per cent; and the rest of about 28 per cent, were patients on account of (a) Diabetes (14.5 per cent), (b) Eye/ENT trouble (12.00 per cent), and (c) Insomnia (1.8 per cent). The rest were less than 30 per cent; the diseases they suffered could be uncomfortable and sometimes fatal and potentially it was difficult or impossible to translate in their working capacity to some use. (See Table 12.02) .

Table 12.02 : Incidence of Diseases to the 405 Central Government Civil Retirees out of 1000 Interviewers and the frequencies of diseases

Sl. No.	Type of diseases	Frequencies	Proportions
1.	2.	3.	4.
1.	Eye /ENT	71	(12.00)
2.	Heart trouble/ Blood pressure	134	(22.20)
3.	Stomach Disorders	144	(24.00)
4.	Diabetes/Kidney/Piles	87	(14.50)
5.	General Weakness/ Limb trouble	153	(25.50)
6.	Insomnia	11	( 1.80)
	Total :	600	(100.00)
	(experienced by 405 pensioners)		

12.09 Further, it is recognised that the aged/retirees have some regular physical lacuna - the presence of such a lacuna injects deficiencies in the daily chores of walking, hearing, seeing and in germinating mental tensions. It was found that 467 of the 1000 replied on these problems; nearly 38% had the ailments of general debility; 17 per cent, eye weakness; 18 per cent, having difficulty in walking; 14.5 per cent suffered from mental tension; and 13 per cent were hard of hearing.



(See Table 12.03). According to a U.N. Study, accidental deaths are almost three times more for the 'aged' than for peoples of all ages; after 65 years' age there is sharp<sup>rise</sup> in accidental deaths. Again, among the oldpeople 85 per cent of accidental deaths are due to falls, traffic accidents, fire or combustible materials' explosion; however, falls account for 60 per cent of such accidental deaths - particularly at home. Safety conditions at home and in the streets can go a long way in arresting such accidental deaths. So also, the

Table 12.03 : Difficulties faced by 300 pensioners and of 1000 respondents in Daily chores and the incidence of 467 frequencies

Sl. No.	Type of difficulties in / of.	No.of frequencies	Proportions
1.	2.	3.	4.
1.	Walking	85	18.00
2.	Hearing	60	13.00
3.	Eye-sight	78	17.00
4.	Mental tension(and worries)	66	17.80
5.	General weakness	178	38.00
	Total :	467	(100.00)
	(experienced by 300 pensioners)		

recent studies by the Indian doctors (namely, J.C. Paymaster, P.K. Das and C.P. Mathur specialised in 'cancer' diseases) have observed that cancer is as much a disease of the rich as it is of the poor. In the next two decades when the living standards of Indian people advance and sophistication in life styles comes, environment cancer will become number two killer. Cancer being the disease of the old age with the rise in life expectation, its incidence is bound to rise; it may rise from '200 per million population' to a much higher point and may dominate the list of killing diseases as in the Scandinavian countries. These risks can be blunted by giving up the habits of pan-chewing and smoking (A News report published in the Hindustan Times, August 9, 1976).

12.10 Mental health problems quite often plague the elderly. Attending to such ailments is now consistently becoming a rule.

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To ward off potential risk against such hazards, it is imperative to control, to match the social and economic needs of the communities concerned. The persons of advanced age who suffer from mental health problems, cannot look after themselves. To mitigate the tribulations of 'the aged' by themselves, <sup>or by</sup> kith and kin, friends and the society action could be that of 'medicare' and 'medicaid' <sup>5/</sup> as prevalent in the U.S.A. under the Public law 89-97. Psychiatrists are of the view that lack of facilities to the 'aged' to share and speak on the realities of approaching death and dying, often affects the mental health since very few are fit to counsel them appropriately at a proper time.

12.11 The respondents' opinion was as well surveyed in regard to the care taken of the retirees (while they were sick) either by the (a) family; or (b) government/hospitals/dispensaries; (c) or private doctors/nursing homes; and/or (d) neighbours. It turned out that 75 per cent of the sample pensioners felt that 'family' was looking after them 'very well'; 'fairly well' opinion by 16.7 per cent, in favour of the government hospitals/dispensaries; 'not well' <sup>about</sup> the private doctors/nursing homes was felt, by 6.60 per cent; and 1.7 per cent felt that there was no response from the neighbours. (For details see Table 12.04). The negative opinion in regard to medicare, is at a high level about private doctor/nursing homes and Govt. Hospitals/dispensaries are rated by almost

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5/ 'Medicare' and 'Medicaid' can be provided through "nursing home industry". This industry widely practiced in the USA and financed to the extent of 75% by the government, but it has been documented that most nursing homes fail to provide a decent environment in terms of money they charge. There is a lot of swindling - government pays, say \$14 a day for medicaid but patients are fed on less than \$1.00; they are cloaked in secrecy and complexity. Government endorses pyramiding costs and other dubious practices and such endorsements has served to enrich nursing homes owners at the expense of tax payers and patients. This industry seems to be influential in the state legislature and has won for itself a large degree of immunity from accountability to those who finance it (Mary A. Mandelson and David Hapgood : The Political Economy of Nursing Homes - Annals, Vol.415, September 1974, pages 95-105)

Table 12.04 : Relative Opinions of the 1000 Sample Pensioners in regard to Medicare by the (1) Family Members (2) Govt. Hospitals/Dispensaries (3) Private Doctor/Nursing Homes : (4) Relatives; and (5) Neighbours

Sl. Agencies/Categories No.	Type of Opinions in regard to Medicare					Total
	Very Well No.	Fairly Well No.	Not Well No.	No res- pondent		
	1.	2.	3.	4.	5.	
1. Family Members	750 <sup>a/</sup> (75.00)	167 (16.70)	66 (6.60)	17 (1.70)	1000 (100.00)	
2. Govt.Hospitals/ Dispensaries	225 (22.50)	444 (44.40)	289 (28.90)	42 (4.20)	1000 (100.00)	
3. Private doctors/ Nursing Homes	284 (28.40)	281 (28.10)	292 (29.20)	143 (14.30)	1000 (100.00)	
4. Relatives	274 (27.40)	437 (43.70)	263 (26.30)	26 (2.60)	1000 (100.00)	
5. Neighbours	298 (29.80)	388 (38.80)	289 (28.90)	25 (2.50)	1000 (100.00)	

Note : Figures within brackets indicate percentages.

a/ It is interesting to observe that the sample pensioners (from the public sector, non-Government sector and secondary and primary teachers - numbering in all 600) in Bombay out of 698 responses, 593 responses (or 85 per cent) revealed that the medicare is looked after by family members - consisting of spouse/sons/daughters. (K.C. Desai & R.D. Naik: Problems of Retired People in Greater Bombay, page 48, Table V-g in 1975, Tata Institute of Social Sciences, Series No.27)

equal numbers of respondents - the former consisting of 28.90 per cent and the latter of 29.20 per cent of the sample pensioners (refer to column 6 of the Table 4.04) and only 6.6 per cent had a negative opinion about the family. However, the opinions bracketed 'the relatives as well as neighbours' at a high point almost nearer to that opined in favour of Government hospitals/dispensaries and private doctors as well as nursing homes. If the additive proportions of both "very well" and "fairly well" opinions in favour of family followed for 'relatives' at 72 per cent; for neighbours, 68.60 per cent; for government hospitals/dispensaries, 66.90 per cent; and for private doctors/nursing homes, 56.60 per cent. In any



case, family members, relations, and neighbours were largely found to be of quality service in regard to medicare much better than the institutional systems either of the public or the private sector. However, the public sector agencies were found by the respondents definitely more serviceable than the private agencies as the data have revealed - perhaps because the former is motivated by service-motive and the latter group is motivated by maximisation of profit. It is also equally true that a large number of pensioners do not have the ability to pay to the private institutions' heavy financial fees. This has been the experience even in a very affluent country like the U.S.A. - where the service rendered to the aged both for 'medicare' and 'medicated' is very much lower vis-a-vis the 'rates' paid by the State, for the "Aged".

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#### Summary

1. No particular disease is a factor of old age; yet the old-age is open to ailments - though some of the aged may be quite healthy and may not fall sick. A survey of retirees, in Bombay reveals that 88.3 per cent were having, on the whole, good health before retirement, and the proportion was lower at 71 per cent in many cases nearer to Bombay results on health factors, because the government retirees have demonstrated a higher momentum in survival rate : Gazetted Officers 88.57 per cent, Class III, 81.82 per cent and Class IV, 76.67 per cent.
2. The changes in the 'aged' and legion : anatomical, physiological, psychological, social and economic; resultant end-product is a vector of all the aforesaid. Aging is made of two components : anabolic and catabolic; the former builds up and the latter breaks down; first two decennia of life are anabolic - characterised by growth and development while the last two or three decennia of life are catabolic; in the mid-period subtle balance operates in between growth and decay.
3. Out of the 1000 respondent sample pensioners, 40.50 per cent faced decline in health and attendant problems; and the rest of 59.50 were not visited by health problems. Out of the 600, who were visited by one or two diseases - 72 per cent patients of general debility, stomach disorders, heart trouble/blood pressure, diabetes, eye/ENT trouble, and insomnia; the percentage ranged from

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1.8 per cent to 25.5 per cent highest being for general debility and the lowest for insomnia.

4. For 1000 sample pensioners, it turned out that 75 per cent felt that 'family' was looking after them very well; 16.7 per cent, said fairly well, in case of government hospitals, dispensaries; 6.60 per cent in favour of private doctors/nursing homes; and 1.7 per cent that there was no response from the neighbours.

/replied

5. 467 interviewees responded out of 1000 sample pensioners in regard to difficulties/inconveniences in attending to daily chores. Of the respondents, 18 per cent had difficulty in walking; 17 per cent, in regard to eye-sight; 17.80 per cent, mental tension; and 38 per cent, from general weakness.

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CHAPTER XIII

XIII. Psychological Problems of the Pensioners and the Aged

13.01 The relationship of warmth respect etc. to the pensioners from the family members, relations, neighbours, erstwhile colleagues etc. has been presented earlier in Chapter IX. But it is also important to know whether, in old age, the pensioners like to live in specifically different surroundings than they had lived hitherto either by themselves (with the spouse) or with the other members of the family or with adult children or in the 'homes/hostels for pensioners' or in a separate pensioners' colony or have a certain residential quota in a general residential colony. The choice or preference offered by them could be an outflow of a gamut of social or psychological reasons. The illness that occurs following retirement is more from psychological stance; retirees/aged perhaps feel that they are intruders to their adult children and also that they have become dependent upon them. They also somehow feel that as retirees, their place in society has been robbed - and they only play the role of 'sick' or 'vegetative' members of the society.

13.02 Mental neurosis develops in regard to a state of social desolation and isolation<sup>1/</sup> and also unsatisfactory living arrangements. However, Robert C. Atchley found that actually the aged have an improved psychological temper. Nonetheless, it is more

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<sup>1/</sup> Increasing isolation and solitude among the aged is underlined. In France, more than 50 per cent of the elderly live alone or with an elderly spouse. The development of four or five generation family - coupled with extension of family in space, increasing migration intra-country and internationality have reduced the traditional inter-generational roles and responsibilities on family life essentially for the aged in the family. There is a subtle alienation and isolation of the elderly from the younger generation with additional barriers segregating and removing them from the life of the community along with the physical barriers'.... The self-conception of the elderly in such youth-oriented value systems often forces them to attempt to appear physically and, at times, psychologically to take on the characteristics of the young through cosmetics, dress etc. and to reject themselves and their own generation." (Refer to page 27, of UN Sales No.E.75.IV.3)



authentic to say that retirees feel difficulty in social adjustment in relation to self-esteem, and age identification. How a new or a different arrangement than what they had been accustomed to before retirement will be more pleasant to their leisure time's special needs? In old age - when the retirees feel a loss of involvement and participation and a significant change in self-image - is it not true that poverty-stricken life spoils more of their self-image than the decline in status after retirement?

13.03 In view of the above socio-psychological problems, the Question 45 of the Schedule tried to procure the preferences of the pensioners, particularly in regard to the residential choice with 'own adult family members', in Homes/Hostels for pensioners, pensioners colony etc. which can put them in a comfortable mental and psychological frame.

13.04 It appeared that 60.4 per cent of the sample pensioners preferred 'to stay with their adult children' as a 'desirable choice'; 18.80 per cent, felt 'somewhat desirable'; and 20.80 per cent, stated to 'not at all desirable'. For the choice of "separate residence/homes for pensioners and pensioners' colony", the 'desirable' choice votes of the pensioners were between 36 - 38.40 per cent; 'not at all desirable', between 28.70 per cent - 50.40 per cent. In regard to staying in hostel/hotel, 'desirable' vote was 25.7 per cent; 'somewhat desirable', 11.3 per cent and 'not at all desirable', 63 per cent. (For details see Table 13.01).

13.05 The above analysis undoubtedly establishes a major preference by 60.4 per cent of the pensioners 'to stay with their adult children as desirable', and about 50 per cent, for 'special quota of houses in the residential colony', and for 'staying in home for pensioners/pensioners' colony; in favour of maintaining of separate residence was expressed by less than two-fifths of the pensioners; and preference as 'desirable' by less than two-fifths of the pensioners; and preference as 'desirable' to stay in the hostels/hotels was offered by only about one-fourth of the pensioners. Thus, the test of

Table 13.01 : Choices of inner residential atmosphere as revealed by the sample of 1000 Central Civil Pensioners

Sl. No.	Type of choice	Desirable (No. of pensioners)	Somewhat desirable (No. of pensioners)	Not at all desirable (No. of pensioners)	Total No. of pensioners
1.	2.	3.	4.	5.	6.
1. (a)	Living with adult children	(No.) 604	188	208	1000
(b)	%age distribution	(60.40)	(18.80)	(20.80)	(100.00)
2. (a)	Special quota of houses for pensioners in residential colonies (No.)	506	219	275	1000
(b)	%age distribution	(50.60)	(21.90)	(27.50)	(100.00)
3. (a)i.	Homes for Pensioners/				
ii.	Pensioners' colony/				
iii.	Maintaining separate arrangements	360-384	112-247	358-494	1000
(b)	%age ranges	(36-38.40)	(11.20-24.70)	(35.80 - 49.40)	(100.00)

Note: Figures in brackets indicate percentages or ranges of percentages.

'desirability' remained mostly for the 'continuance of involvement' in full social ethos - without breaking away from the main society; this could be only by remaining with family and adult members or to remain in a colony where some quota is reserved for the pensioners. After all, man is a social being, and so long his urges have force or choice, he likes to live in the full flow of social ethos and participation to his maximum capacity excepting the usual limitations of old age. Overwhelming vote of the pensioner is in favour of residing in an atmosphere of 'kith and kin' and/or to remain in a system which allows full participation/involvement in a society.

13.06 The psycho-transformation of the pensioners takes place because the feelings of a retiree radically change within few days or weeks of retirement; from a busy life, he finds an abundant time-span for leisure; from a 'often-sought of' man he has to seek others for many of his personal problems and to execute his day to day household chores - to which he was not accustomed. Through a simple question (No.47 of the schedule), the sample pensioners were asked to state whether their way of life had changed following retirement; and 83.50 per cent of them replied in affirmative. However, to a question about the way the changes had occurred, only 835 replied. Out of the 835 retiree respondents, 505 (or 60 per cent) expressed that after retirement their life has become 'dull', 'uneventful' and 'monotonous'; 273 (or 23.7 per cent) identified that their 'standard of living had receded'; 160 (or 19.60 per cent) replied that they were 'suffering from mental worries/tension'; 117 (or 14 per cent) opined that they were 'having physical deterioration'; 78 (or 9.3 per cent) averred that they had been spending their 'leisure time in pursuing hobbies'; and 72 (or 9 per cent) were dependent on their 'children or relations' a status which they did not have before retirement.

Table 13.02 : Type of physical, economic, mental and psychological changes after retirement<sup>1/</sup> identified by 835 pensioners

Sl. No.	Type of Change	No. of pensioners	Cd.3 as Percentage of 865 respondents
1.	2.	3.	4.
1.	Life is dull/lonely	505	60.00 <sup>2/</sup>
2.	Standard of living receded	273	32.70
3.	Mental worries/tension	160	19.00
4.	Physical deterioration	117	14.00
5.	Leisure spent on one's hobbies	78	9.30
6.	Dependence on children/relations	72	8.00
	Sub-Total	835 (83.50)	
	Non-response	165 (16.50)	
	Total:	1000 (100.00)	

<sup>1/</sup> & <sup>2/</sup> Please see on next page.

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13.07 Anticipated augmentation of future longevity - arising out of elimination of death hazards, higher income levels in general - provides both a challenge as well as an opportunity. In developing countries, and so also in India, (and to a higher degree in rural areas), kinship is the cementing force and within it the economic power remains the sole prerogative of the head of the family who very often is an aged; this circumstance incidentally offers opportunity for the younger ones to care for the aged. Certainly, there is some camphorisation in the traditional importance of the aged with the changes associated with slow but steady industrialization, rural migration to urban areas, occupational mobilities, and breaks in joint and extended families. If the old move to towns with their progenies, their social fabric and role in new surroundings get dampened and destroyed. With longevity marching ahead in developing countries from 2-3 generation family/household (and from 3 generation family/household in developed countries), the world is set for 4-5 generation families/households during the last quarter of the twentieth century. But operating intra-country migrations to urbanised areas or inter-country migrations in the context of intensity in upward 'generation-density' cause strain on the aged members of the family/household and along with growth in nuclear families - terminating the interactions between the children and elderly parents.

13.08 If cancer and cardio vascular diseases are overcome, expectancy of life at 65 years will move upwards between 2-10 years; and few biologists say that biological clock will,

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from pre-page.

1/ In a cross-national research by Shanas Ethel (1972). Adjustment to Retirement or Accommodation, "I found that Americans were much more accepting retirement and more so white collar working than Danes substitution and Britains were 50 per cent and 42 per cent outright rejected retirement respectively."

2/ On the other hand, in the USA, a study mooted by Strieb (Cordon, F.) and Schneider (element J.), in 1972, entitled : Retirement in American society on a sample of 3500 teachers and telephone worker retirees, it emerged that 83 per cent liked retirement.

within next 20 years, move up by another 25 years of life. In essence, the aged have the 'fait-accomplie' in store - of desolation, isolation and loneliness<sup>3/</sup> more so for women who survive longer than men. In urban areas, larger concentration in central business districts as also of late, in suburban areas cause bottlenecks in the arteries of transportation, separate the aged or offer limited access to much-felt community health and social services. A subtle alienation of the 'aged' would get perhaps accelerated when the 'youth' are described as the hope of the future and the 'aged' as the monuments of the past.

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#### Summary

1. The illness that occurs, following retirement, is more due to the psychological stance; retirees feel that they are intruders to their adult children and also that they have become dependent upon them. They also somehow feel that as retirees, their place in society has been robbed - and they only play the role of sick member of the society. Mental neurosis in regard to a state of desolation and social isolation develops in them and they feel loss of involvement and participation.
2. Out of 1000 sample pensioners, 60.4 per cent preferred to stay with their adult children as a desirable choice; 18.8 per cent 'somewhat desirable'; and 20.8 per cent 'not at all desirable'. In regard to special quota of houses in a residential colony, 50.6 per cent considered it 'desirable'; 21.9 per cent, somewhat desirable; and 27.50 per cent, 'not at all desirable'. The choices 'as desirable' for living in pensioners' colony or in hostel or hotel were at lower pitches.
3. 805, out of 1000 sample pensioners replied to Question No.47. Out of the 805, 60 per cent expressed that after retirement their life has become 'dull'; 32.7 per cent identified their 'standard of living had receded'; and 19.6 per cent felt that they were suffering from mental tension/worries; and 14 per cent felt that they were having physical deterioration; 9.3 per cent averred that they had been spending 'leisure time in pursuit of hobbies'; and 9 per cent felt that they were dependent on 'children or relations' -which they not perhaps found palatable.
4. A subtle 'alienation' is felt by the 'aged' when the 'youth' describe themselves as the hope of the future and the 'aged' the monuments of the past.

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- 3/ In France, 50 per cent of the elderly live alone or with elderly spouse - with familial isolation along with physical incapacity and dependence. It is reported that no group of people in human history have lived through major social, technical and environmental changes as have today's elderly in Canada and U.S.A.

CHAPTER XIV

XIV. Futurology of the Retirement Process

14.01 Retirement is basically a part of an evolutionary trend in a society for establishing equilibrium, over time, between the volume of supply and demand in the labour market, though the built-in complexity is not so obvious." In India, over the last three decades, there has been a change in the rules of pensions, sizes of the pensioners in relation to length of service rendered from 50 per cent, in the forties; to 37.5 per cent, at the outset of the 1960's, and to 41.25 per cent, in early 1970's of the last three years of average pay - followed by 41.25 per cent, of the last 10 months' average pay in February, 1976. Within this process, the maximum qualifying service also moved up from 30 years to 33 years only in 1970's; this is the consequence of the pressure or justification pleaded by a large number of the service associations of central employees. Intrinsic concomitant pressure was also to raise the general age of retirement from 55 years to 58 years for regular civil central employees; this conveyed a pressure of the elder central employees to raise the age of retirement on the plea of improvement in expectation of life and retention of experienced employees in government service. However, now there is a greater resistance from the younger employees to protect against any extension of services of the employees after attaining the age of 58 years - a pressure is thus building up to keep older people out of the labour market.

14.02 It will be interesting to project a picture that would perhaps shape during the next 25 years upto the eve of the twenty-first century. An intensive and virile campaign for 'family planning' which perhaps might help in reducing birth rates from 36 to say 33 per 1000 by the end of 1970's; 30 per thousand during the 1980's; and about 25 per cent per 1000 in the last decade of the present century. Consequently, in India, net population growth rate will perhaps come down to 1.65 per



cent in 1981; 1.6 per cent in 1986; 1.55 per cent, in 1991; 1.5 per cent, in 1996 and 1.45 per cent, in 2001 (as shown under Table 3.01) due to decline in death rate to about 10 per thousand. The proportional size of population within the age group "19 Years and less" will perhaps decline substantially notwithstanding likely fall in the infant mortality - from 50 per cent in 1971, to about 30-35 per cent by the year 2001. In terms of the absolute size and proportion over five-year phases, the frame of the age-group of '19 years and less';

'20 - 54 years'; and '55 years and above' will undergo a radical change. The demand to retire, in the last decennium of the century, 'at 55 years and 58 years' will perhaps blunt; there might be inclination to keep the experienced and skilled 'aged' people in employment for a little longer period - because a few of them would have an intense sweep of knowledge in variegated multi-disciplined culture technology etc. - a phenomenon <sup>claimed</sup> that can be/ by a negligible proportion of the 'aged' at present. The inflow of the trained from

the new younger population in the labour market would as well decline significantly - notwithstanding higher participation rate from the women and unemployed and underemployed from the rural labour and educated while collar unemployed urbanites.

14.03 The volume of employment in the tertiary sector<sup>1/</sup> will ordinarily improve faster than the secondary sector during the momentum of developmental process since the capital intensive automative production plants will need only few-but for the irreplaceable jobs. In such plants, nevertheless, <sup>the</sup> skilled ingrained in the man himself, such as, in the professionals service workers, skilled artisans and craftsmen, white-collar workers etc. will be in demand at an accelerated way. The process of retirement might be less rigid and the atmosphere might become more amenable and agreeable to keep the aged people in the employed market; the pressures (from the

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1/ The tertiary sector-over long-term developmental history of different advanced countries - has provided relatively more employment than that provided by the secondary sector in association / progress in economic and social development.

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employers, younger generation of working population and the Government) on the issue of superannuation would also perhaps resile and able retirees will find a market for their skill. Alongwith technological advances, which will grow exponentially, the working hours for the working population in the age groups "20-54 years" and "55 years and over" will as well decline without affecting adversely the wage levels of the employed such a circumstance will generate chances on the other hand perhaps better <sup>accompanied by</sup> brighter improvement in productivity and wages per man/hours.

14.04 A perspective demographic picture is presented here (Ref. Annex / <sup>14.01 and 14.02</sup>) to indicate the changes that are likely to develop within two and half decades. The future scenario demonstrates that the proportion of the younger persons (0-19 years) which was 50 per cent of the total population in 1971, will come down to 34 per cent in 2001; in the same sweep, the proportion of the 'aged' '55 years and over' is projected to move up from 8 per cent, in 1971, to 18 per cent in 2001. The proportionalities present the possible changes in the structure of the population; but a change in absolute numbers, and the comparative indices of the changes in the three different age-groups will be pronounced, in any case, where the proportion of the population in '20 - 55 years' group is projected to rise from 42 per cent to 48 per cent.

14.05 To clarify the above statement a comparative analysis of the transformations that would take place is given. For example, over 1971, in the next 30 years, the total population of India is estimated to grow by 61 per cent, to 881 millions (col.2) following the deceleration in the growth rate of the population from 27.66 per cent during the decade 1961-71.

Whereas the persons in the age groups '19 years and below' will grow from 274 millions in 1971 to 290 millions only-as an impact of various measures undertaken under family planning; consequently, the proportion of this age group to the total population will slip down to 34 per cent from 50 per cent (or only 34 per cent of the population will be non-adult in 2001

in place of 50 per cent in 1971). On the other hand, the proportions of the age-groups '20-54 years' and '55 years and over' will rise from 42 per cent and 8 per cent to 48 per cent and 18 per cent respectively. So also the participation of the population in the age-group '20-54 years' will grow from 74% in 1971 to 77 per cent in 2001; this will cause the growth of working population to 326 millions in 2001 from 170 millions in 1971 - a growth of 91 per cent - as compared to 61 per cent of the total population.<sup>2/</sup> However, as the proportion of the persons in the age group '55 years and over' to the total population, will rise from 8 per cent in 1971 to 18 per cent in 2001, the absolute size of this age group will increase from 43.4 millions in 1971 to 158 millions in 2001 - a growth by 264 per cent - as compared to 61 per cent growth of total population; 48 per cent in the age-group '54 years', and by 91 per cent of the working population. This offers a sharp and sizeable leeway to the aged population in the age group '55 years and over' in the job market. Further, the relationship between the population in the age group "55 years and over" will grow from 18.87 per cent in 1971 to 37.35 per cent in 2001 - a doubling of the proportion within 30 years; this in itself a revolution in the structure of total population and highly conspicuous for the aged population.

14.06 What is projected upto 2001, is a metamorphosis in the population structure of India. Similar phenomenon is already

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2/ For example, in the USA, there was steady rise in birth rates in Post-World War II period (being highest in 1957) which would result in raising the ratio of the aged population to the working population in future around the 2001 - when the babies born in post-War period will become 'aged'. The recent decline in the birth rate will further raise the ratio sharply since the declining number of births bring down the number of persons in the working population group. Every day, nearly 4000 Americans celebrate 65th birthday, and 3000 die at an age 'over 64 years'; those who depart are really older and in the poorest financial situation, but the new entrants as pensioners derive pension incomes which were undreamt of by earlier pensioners.

/perhaps



in operation in Europe - both in the East and the West - Canada, Australia, New Zealand - and the prevailing discrimination against the 'aged' in the employment market has abated. These countries have therefore been levying higher rates of taxes - and have also set into motion liberalised policy guidelines to encourage aged workers to continue to remain as working population.

14.07 In the U.S.A. and other affluent countries, in recent years, the favourable circumstance is developing to eliminate poverty; <sup>too,</sup> and that/in favour of elderly <sup>are more</sup> by raising the levels of welfare benefits. Poverty victims/amongst the aged

women; in U.S. society, at every age and every stage, women are more vulnerable to poverty than men, especially if they must do double duty both as family head and home maker; 1.5 million women are widowed, with highest poverty incidence of separated women (who form 55 per cent). But SSIP (Supplemental Security Income Program) tries to ameliorate the poverty of the low-income women. Another problem is that currently only about 45 per cent of wage and salary earners in private industry are covered by private pensions.

14.08 The politics of aging, largely accepts the inequality of the 'age' and regards chronological age as a criterion to receive pensions if permissible under rules, old-age assistance, and welfare services - including medi-care and medicaid which help in alleviating the negative consequences of inequality caused by 'old age'. At the time of elections, because of the increasing weight in voting power of aged, the old-age pension and assistance provisions are often liberalised in democratic countries. Aristotle observed that : 'injustice arises when equals are treated unequally, and also when unequals are treated equally'. Social services or economic assistance provided to the 'aged' ushers promotion of justice; but if the elderly are unequal to adults, but are treated at par with the adults, injustice may also prevail in that situation. In advanced countries, quite many safeguards have been provided for the

elderly - and more services and assistance are devolved to them consequent on vital advocacy which advocates <sup>for</sup> vulnerable status of the aged and the gerontological 'discipline and movement' also continuously stress. In India, also the movement of the pensioners associations and social welfare organisations for ameliorating conditions of the 'aged' is slowly but surely growing wherein politicians are also involved. Now, the legislators and parliamentarian have also been awarded the benefits of retirement - and say of old 'age' in the form of pensions. Some day in the future they will also claim the dearness relief - as has been partially granted to the retired government employees also. However, much more historical research needs to be done - particularly (i) in regard to the associated links among social and biological research; and (ii) the political activism which builds upon research 'discoveries' and findings to promote new laws regarding the elderly and the actual results emerging therefrom.

14.09 With rise in the expectations of life at birth and also at specific ages, quite many people want to net in the occupational pension at an early age where number of years makes them eligible to retire and not due <sup>to</sup> / chronological age, and they begin a new career for another pension. Thus in the developed countries of Western Europe and the U.S.A. two groups of old people have been emerging : (i) young-old in the age group of '55-75 years'; and (ii) old-old, i.e., '75 years and over'.

14.10 The younger group in the USA constitutes 15 per cent of the total population - as compared to old-old who are only 4 per cent of the total population; women however outnumber men in both the groups; the former meet their children often - and they meet their parents because quite many of them are alive - and this gives them the sense of youth owners. They can exert pressure to avail cultural enrichment, community participation, better housing as compared to the old-old.

14.11 The dynamics of demographic transformations, <sup>would</sup> / make the young-olds of the developed countries, during the next 25 years,

more radical than the young olds of the 1970's. This future group, has at present been responsible for challenging the Government leaders over the issue of war in Vietnam, Women liberation, consumer movement, and attack on Watergate; they have challenged the public schools and have accepted organ transplants and sex-changes, legalisation of abortion - and above all, they have the political wisdom to demand increasing quantum of essential services and protect the citizens against harm and improve the quality of life and amass political pressure on the government.

14.12 A new phenomenon that has been playing a significant role, in the increasing employment of women in the public sector. This factor ordinarily may look to be simple, but in relation to social welfare programme of pensioners' it will enhance the burden on the Exchequer because the expectation of life of women is higher than that of male population in the higher age groups. For example, the female population in the age group '55 years and over' was 7.9 per cent of the total female population and for males the proportion was 7.8 per cent; again, in the age group '60 years and over' the proportion of the male population was 5.5 per cent, in 1961, and 5.9 per cent in 1971. In urban areas, the proportions for females was 7 per cent and for males 5.1 per cent in the age-group '55 years and over', and '60 years and over' for female and male population it was lower at 6.5 per cent and 4.4 per cent respectively. In the wake of increasing share of women employed in the public sector their higher proportions in the age-groups will raise the pension liability of the Exchequer. Perhaps the above dynamic change has been caused due to general increase in the expectation of life that occurred during the inter-census period (1961-71). However, the proportions of male and female population widened the gap in urban areas whereby the pensioners' number rose in urban areas more than in rural areas.

14.13 In general, the work-force participation rate had been lower for females than that of males in different age groups,



but, as mentioned above, the work force participation rate for females is increasing and will continue to increase and that will create larger problems when women worker in the Indian social stratification do not carry so much the responsibility as the head of the family. It mostly rests with the male member of the family. Demographic analyses show that the expectation of life at birth-for males and females, in 1881, was 25.58 years and 23.67 years respectively. The projected values of expectation of life at births for the period 1961-65 for males and females worked out at 48.7 years and 47.7 years respectively. However, this indicates that the expectation of life of males and females as projected by demographers 'at age 60 years' was 9.25 years and 9.79 years, in 1881; and 10.25 years and 10.81 years, in 1931; and, in 1961, it rose to 11.77 years and 12.58 years. It can, therefore, be assumed that at present (in 1970's) the expectation of life 'at age 60 years' is perhaps ordinarily about 12.5 years for males and 14 years for females.

14.14 A point has been made earlier that the urbanization and industrialization process will leave the retired parents alone when they will be physically more unable to look after themselves-very often being sick, incapacitated, with thin purse and lean regular income and nobody normally to look after their nursing. This will necessitate subsidizing as old people need specialised housing with built-in facilities for self-service by the aged people themselves with little supplementation. This will demand provision of common kitchen and hostel facilities at nominal rent from the special-funds that can be earmarked by the Central, State and local bodies in their recurring budgets.

14.15 Some of the above problems, just mentioned and some explained briefly impel that a detailed study be undertaken as well as to obtain a picture for future say upto the end of the present century - to provide guidelines for a sustained planned welfare programme for the 'pensioners'.

14.16 Some institutional, constitutional and legal instruments need to be established to offer clarity of purpose, streamlining of the information systems as regards the aged/pensioners, and provide a legal arm in regard to the rights and duties of the pensioners/State/Community. These instruments are :

- (i) At present the Pension Act 1871 (amended in 1974) - is more than 100 years old as a legacy of British Pension Law of 1871. Nonetheless, it is true that the Rules under the Act were liberalised from time to time. However, considering the demographic, economic and social changes that have taken place it is imperative to establish parity, equity and social justice for the retirees. These transformations were recognised in the British Law and a number of times the changes were made including the enactments - latest being 1972 'Act. But the Indian Law has remained static. Therefore, enactment of a new Pension Act is urgent - which may be potent enough to assimilate the changes that have occurred and those that will occur, so as to keep the pensioners 'above want' in relation to rise in standard of living and national income as also to the changes in prices.
- (ii) A statutory authority under the Constitution - similar to that of the "Commissioner of Scheduled Castes and Tribes" - be created for the underprivileged pensioners for purposes of seeking 'help and guidance' from the Commissioners' Office in regard to :
  - (a) Drafting 'Will';
  - (b) Preparing of income-tax, wealth tax, gift tax returns;
  - (c) advising on investment problems - to escape from being prey of bogus investment advisers; and for the need to open joint/survivors' accounts;
  - (d) maintaining an upto-date National Register of pensioners; and
  - (e) administering a Welfare Fund - to be funded by the Government and private donations.
- (iii) It is suggested that a Pension Commission be appointed by the Government of India (i) to look into the pension provisions and bring them in the frame of present needs and requirements; (ii) to assess the size of the pensioners problems, grievances and complaints of civil and Defence Pensioners; (iii) to devise means and measures to integrate the formulations of pension rules and regulations to minimise differences and differential discriminatory treatment; (iv) to devise a dynamic pension policy

for the future which enables to comprehend the future problems that will emerge in **future** (v) to study the problems of the 'aged' and 'pensioners' in respect of health, social, economic, family and dependents, physical inhibitions/difficulties generations' gap, etc. (vi) to assess and project the degree of pressure on Exchequer of the sizes the number of pensions, amount of pensions, the growing needs of granting reliefs to pensioners, and also general pension to the 'aged' etc.; (vii) to enunciate the guidelines for occupational pensions etc. / (a) rise in 'the expectations of life at birth and at specific ages'; (b) the raise in the proportion of the 'aged' in the total population and the transformation of the population structure, (c) increase in urbanisation, advances in technology, etc. and consequent segregation and isolation.

/due to

14.17 Prof. Albert Rosenfeld, a science writer, in his new book "Prolongevity" has asserted that there is a 'death hormone' in the human brain that limits how long one can live. This hormone regulates a kind of 'clock' ticking off the potential days of ones' life. The supposition is that the hormone resides in the genetic material - the DNA - in the nucleus of body cells. Some researchers are convinced that there is an identifiable 'clock of age' which has genetically determined programme that dictates that when one would 'age and die' and the rate at which this will occur. Rosenfeld feels that there is an excellent chance of discovering the location of the 'clock of age' as well as the nature of its operating mechanism and also how to interfere with it to mans' own advantage. He regards it as a reasonable fantasy because (i) the tools of biological research have already been sharpened, and (2) it is possible that one can go to a doctor 'to cure the disease of age' if prophylactic measures do not eradicate it. If at all this happens, world people can live twice the present span or it can be extended by 200-300 years.

14.18 It is equally true according to Prof. Rosenfeld, that a sizeable increase in life-span can bring a **series of** <sup>example,</sup> problems; **for** / after 65 years of age, old people will stay in their top jobs and keep away younger ones from promotion.



Further, what would happen to social security, pension plan, and 'insurance as also other commitments is a terrific problem'. How the population pressure will multiply - unless there is a **severe check on births** <sup>which</sup> should go hand in hand with research to control cancer, heart disease, etc. along with findings in various fields applicable to expanding of 'life-span', and the specific problems of 'aging'.

14.19 There might arise a new breed of human beings who merely by virtue of longevity and through the acquisition of maturing wisdom can finally become the kind of gifted individuals needed. These individuals be entrusted with all the elements of decisions and they might help in taking the human species into a challenging and expanded future. But it is necessary that such mature individuals should be worthy of the trust that the future generations can repose.

14.20 The above news item appeared in the columns of "The Hindustan Times" dated October 15, 1976. From it does, it not **emerge** that it is possible to imagine the radical transformations that can ensue in the demographic structure of the human society - disturbing all the texture of age patterns and is much ahead of the optimum projected in Table 1.01 in regard to demographic dynamics?

14.21 However, scientific Rosenfelds' forecast may be, it is as much mystic as it is dangerous with harmonies of monotony and despondency - though there might be a short-lived 'glee' to know that one can live upto 200-300 years.

14.22 Launching of 'researches' involves expenditure, nonetheless following areas/subjects (not all inclusive) are suggested for research in which the concerned Government departments/ private endowments and Research Institutes-national and international-may take active interest :-

- (1) Basic knowledge about the conditions and needs of of the pensioners and the 'aged'; and the measures to fill in the gaps in 'services' <sup>to</sup> ameliorate the conditions and to satisfy the needs;
- (2) Socio-economic and environment aspects of aging - and regional variations;

- (3) Problems of aging-in the 'slums', shanty-town, and Squatter Settlements;
- (4) Role of the Family in providing needs of the Aged;
- (5) Relationship between the Working population and Aging population Structures and the Emerging Problems of balanced labour supply and provision of services for the Aged and Trained Man-power to man the services for the Aged; (Many gerontologists are convinced that if life expectancy increases <sup>by</sup> 5 years the effects would overturn present running of social welfare institutions).
- (6) Implications of Birth Control and Family Planning on the status and conditions of Aging;
- (7) Social change be studied and Social Indicators developed in the 'Phenomenon of Aging' and development of Social Statistics to subserve the identification of and plan policy measures to assess the contributions of the Aged in the social and economic development.
- (8) Development of information System about the knowledge, experience and standard definitions and concepts on Aging - Commensurate with the funding capacity of the country and establish liaison with UN system.
- (9) Economic Returns and Social and Personnel gains of Public Funds on services to the young and the old.

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#### Summary

1. In view of the rising levels in the 'expectation of life at birth and at specific ages', the retirement was raised from 55 years to 58 years; there might therefore be pressures to raise the retirement age further upwards with the improvements in the expectations of life - as a concomitant of development in spite of the resistance to it by the younger generation. In the next 25 years, by 2001, India's population will increase to about 881 millions (or in round figures to 900 millions) - and along with it, most probably, the proportion of the aged - "55 years and move" which in 1976 is around 8 per cent of the total population will grow to about 18 per cent - and the proportions of younger age-groups will grow at a slower pace and/or resultantly their proportional shares in total population will also decline.
2. The volume of employment in the tertiary sector will grow faster than in the secondary sector - and the demand for personnel with ingrained scientific and technological knowledge and training will grow at

exponential rate. Also the working hours will also perhaps decline - following the rise in productive and technical efficiency and increasing demand for lesser number of working hours and more of leisure hours; even the retirement age might desirably be reduced. All told, the proportion of the 'aged' and pensioner will augment at escalated rate making a galloping demand on the Exchequer for social security bill.

3. These features of the demographic and labour market transformations have occurred, and occurring now also, in the European, Oceanic, and American countries - making the above-mentioned changes already in existence.

...



EXPECTATION OF LIFE IN INDIA  
FROM 1881 - 1971

1.	2.	3.	4.	5.	6.	7.	8.	9.
Census	At birth		X Age 10		X Age 20		X Age 30	
Year	Male	Female	Male	Female	Male	Female	Male	Female
1881	23.67	25.58	34.00	33.42	28.55	28.44	23.80	24.48
1891	24.59	25.54	35.46	34.40	29.24	29.28	23.66	24.69
1901	23.63	23.96	34.73	33.86	28.59	28.64	22.90	23.82
1911(a)	22.59	23.31	33.36	33.74	27.46	27.96	22.45	22.99
1921	19.42	20.91	29.64	29.21	25.46	25.41	21.64	21.78
1931(a)	26.91	26.56	36.38	33.61	29.57	27.08	23.60	22.30
1941	32.09	31.37	41.20	38.56	35.02	33.11	29.03	27.89
1951	32.45	31.66	39.97	39.45	33.03	32.90	26.58	26.18
1961	41.89	40.55	45.21	43.78	36.99	35.63	29.03	27.86
1971(b)	47.10	45.60	49.00	48.10	40.20	39.70	31.90	31.70

	10.	11.	12.	13.	14.	15.
Census	Age 40		X Age 50		X Age 60	
Year	Male	Female	Male	Female	Male	Female
1881	18.90	20.03	13.93	14.96	9.25	9.79
1891	18.75	20.20	14.28	15.59	10.12	10.87
1901	17.91	19.12	13.59	14.50	9.53	10.02
1911(a)	18.01	18.49	13.97	14.28	10.00	10.11
1921	17.93	18.31	14.30	14.95	10.67	11.67
1931(a)	18.60	18.23	14.31	14.65	10.25	10.81
1941	23.27	22.91	17.77	18.17	12.59	13.68
1951	20.53	21.06	14.89	15.15	10.13	11.33
1961	22.07	22.37	16.45	17.46	11.77	12.98
1971(b)	24.70	24.70	18.30	18.90	13.00	13.40

(a) Expectation of life during the Census Year 1911 and 1931 relate to birth and Ages 0, 10-19, 20-29, 30-39, 40-49, 50-59, and 60-69

(b) Based on 1% sample.

Source : Statistical Abstract of India - Table 9(1974) - Central Statistical Organisation, Government of India, New Delhi.

Annex 14.02

Distribution of Projected Population in India according to the Age-groups (1971-2001)

Year	Total of population (in million)	Previous Decade/ Annual growth Rate	Distribution of population 1971-19 (in millions)	20-54 years (in millions)	Labour participation Rate	Working population over 55 years & Col. 8	Col. 5	
1.	2.	3.	4.	5.	6.	7.	8.	9.
		%		No.				
1971 Base Year	(=100) 547.4	27.66	(100) 274	(100) 230	74%	(100) 170.0	(100) 43.4	18.87
%	(100)		( 50)	( 42)			( 8)	
1976	(109) 594.4	1.70 (annual)	(104) 285	(111) 255	74.5%	(112) 190.4	(124.4) 54.0	21.18
%	(100)		( 48)	( 43)			( 9)	
1981	(117) 641.4	1.65 (annual)	(105) 289	(123) 282	75.0%	(124) 211.6	(141.2) 70.0	24.82
%	(100)		(45)	( 44)			(11)	
1986	(129) 706.7	1.60 (annual)	(108) 296	(138) 318	75.5%	(135) 230.0	(211.3) 91.7	29.00
%	(100)		( 42)	( 45)			(13)	
1991	(139) 762.4	1.55 (annual)	(106) 297	(153) 350.7	76.0%	(157) 266.5	(245.9) 106.7	34.00
%	(100)		( 39)	( 46)			(15)	
1996	(150) 820.3	1.50 (annual)	(107) 295	(168) 385	76.5%	(174) 295.0	(301.4) 130.3	36.40
%	(100)		( 36)	( 47)			(17)	
2001	(161) 881.0	1.45 (annual)	(106) 290	(184) 423	77.0%	(191) 326.0	(364.9) 158.0	37.35
%	(100)		( 34)	( 48)			(18)	

- ii -

Notes : (1)

The figures within brackets in Col.2,4,5,7,8 **over** the absolute population sizes indicate vertically the indices of change over the base 1971 (=100); and figures within brackets below the absolute figures in col.2,3,5 and 8 show the population proportions horizontally.

- (2) Total population projection in col.2 can be seen against the projection of the Planning Commission in the Draft Fifth Plan document upto 1986 for the years 1974, 1979, 1984 and 1986 respectively at 581.2 millions, 638.8 millions, 685.8 millions and 705.2 millions.

...



Percentage increases in Population from  
1950-70 and Projections for 1970-2000  
in (A) World; (B) in Developed countries;  
and (C) in Developing Countries

Group of countries	Duration	Percentage increases in Population		
		60 years and over	70 years and over	Total
1.	2.	3.	4.	5.
A. World	(i) 1950-1970	46.01	54.07	56.00
	(ii) 1970-2000	78.08	101.01	118.07
B. Developed	(i) 1950-1970	27.01	59.03	65.05
	(ii) 1970-2000	33.03	50.03	70.00
C. Developing	(i) 1950-1970	56.01	49.09	44.06
	(ii) 1970-2000	98.03	158.03	186.09

Annex 14.04

Functional Age-groups and their Proportional  
Growth during the decennium 1970-80, in the  
World, Developed group of countries and the  
Developing Group of countries

Group of countries	Percentage growth rates between 1970 - 80				Total popula- tion
	0-4 years	5-14 years	15-64 years	65 years and over	
1.	2.	3.	4.	5.	6.
World	20.05	22.2	22.8	30.02	22.07
Developed	17.00	01.05	10.09	<b>23.07</b>	11.00
Developing	21.03	28.05	28.07	38.02	27.08

CHAPTER XV

XV. Recommendations

15.01 It is necessary to cover policy measures for the 'aged', in regard to the security of income, employment, health, housing, institutional care, welfare and recreational services - by according 'priority' to the problem of the elderly persons as a part of the "over-all economic and social planning" of a country and should not be tackled in isolation.

15.02 Largely, the higher age for retirement is associated with the higher expectation of life at birth as well as at specific ages. India being democratic without any discrimination between race, religion and sex cannot discriminate in the age of retirement for men and women. Nonetheless, as the demographic revolution raises the expectation of life, it will be necessary to revise the mandatory provisions of the age of retirement in time phases. It will also be imperative<sup>and</sup>/desirable to open avenues for employment or re-employment of the 'aged' and the retirees in future.

15.03 It is imperative that the government servants should be attuned to prepare themselves for retirement, 5 years ahead of actual event, through re-orientation courses in different departments about pension rules and procedures and they should be given courses for rehabilitation in the new way of life, so that the pensioners life can become meaningful, enjoyable and generate complementary coherence with the younger-age people both in the family and the community.

15.04 The causes<sup>and</sup> of delays should be nipped in bud at the earliest; ~~to this/~~ governmental system demands proper overhauling, reorientation, and stream-lining. (The recent announcements of February 11, 1976 and June, ~~September~~ and /  
greatly remove the rusting process).

/Nov.76  
as also in  
Feb.1,77  
will

15.05 The aged are societal beings, only a very small proportion of them like to live outside their own familiar habitat groups/colonies; they therefore do not prefer to change



from the familiar place and do not want to go in institutional facilities. In the matter of appropriateness of housing for the aged persons, major issues confronted are that of ill-health, disability, organisation of community services in the context of their physical limitations to meet their needs/ desires. Both for housing and adaptation of facilities and services to the changing demands of the aged, invisible subsidies from the community need to flow - if the aged have to continue to function as members of the society without loss of dignity. The environment which can support the 'aged' should be 'age-oriented' rather than "age-segregated".

15.06 It is urgent and socially desirable and just to bring up their pension levels in relation to the present pay scales of the retirees' last post held at the time of retirement and provide a suitable neutralisation every year or in every two years in relation to rise in consumer price indices; this measure will remove and mitigate the past, present and future injustice to the civil pensioners.

15.07 Decline in human organism commences in the old age when dampening occurs in : power of responses, motor and sensory functioning, energy and resistance strength, perception of vision and hearing, nervous system, endocrine glands and metabolism, and memory, adaptability and learning ability. The 'aged' are the vulnerable sector of the population and therefore they require a variety of preventive and social measures throughout the life/<sup>in</sup> which nutritional care has to assure appropriate balanced food and diet, through continuous researches in the field of 'gerontology'.

15.08 Though quite many government services are directed for child care, maternal health, infectious and communicable diseases, but the aged-group does not get the attention; therefore, the aged need a series of services augmented by the government in this regard - such services are being attended in a sizeable way in the advanced countries.

15.09 Psychiatrists view that lack of facilities to the

'aged' to share and speak on the realities of approaching death and dying, often affects the mental health since very few are fit to counsel them appropriately at a proper time. To mitigate the tribulations of this type of the 'aged', the help of the kith and kin, friends and the society itself (including government) have to be launched.

15.10 'Commutated Pension' should be paid within a reasonable time of one month from the date of 'absolute right earned' on the date of medical fitness report sent. In case of delayed payment, market rate of interest be paid to the pensioners. Again, with the rise in expectations<sup>or life</sup> and inflation moving upwards, it is relevant to revive the full pension after 10 years or to recast the commutation formula with the expert advice of proper actuarial assessment.

15.11 A statutory authority under the Constitution - similar to that of the "Commissioner of Scheduled Castes and Tribes" - be created for the underprivileged pensioners for purposes of seeking 'help and guidance' from the Commissioners' office in regard to :

- (i) Drafting 'Will';
- (ii) Preparing of income-tax, wealth-tax, gift-tax returns;
- (iii) advising on investment problems - to escape from being prey of bogus investment advisers; and for the need to open joint/survivors' accounts;
- (iv) maintaining an up-to-date National Register of pensioners; and
- (v) administering a Welfare Fund - to be funded by the Govt. and private donations.

15.12 It is suggested that a Pension Commission be appointed by the Government of India (i) to look into the pension provisions and bring them in the frame of present needs and requirements; (ii) to assess the size of the pensioners problems, grievances and complaints of civil and Defence Pensioners; (iii) to devise means and measures to integrate the formulations of pension rules and regulations to minimise differences and differential discriminatory treatment; (iv) to devise a dynamic pension policy for the future which enables

to comprehend the future problems that will emerge in future.

(v) to study the problems of the 'aged' and 'pensioners' in respect of health, social, economic, family and dependents, physical inhibitions/difficulties generations' gap, etc.

(vi) to assess and project the degree of pressure on Exchequer of the sizes in the number of pensions, amount of pensions, the growing needs of granting reliefs to pensioners and also general pension to the 'aged' etc.; (vii) to enunciate the guidelines for occupational pensions etc. (a) the rise in 'the expectations of life at birth and at specific ages' (b) the raise in the proportion of the 'aged' in the total population and the transformation of the population structure, (c) increase in urbanisation, advances in technology etc. and consequent segregation and isolation.

15.13 Follow-up actions, in Social Work and Social Welfare on the problems of pensioners/aged by the Institutes interested in social work and social work and developing of surveys and Researches on the various problems of the pensioners and the aged, are called for in sequential manner.

15.14 At present the Pension Act 1871 (amended in 1974) - is more than 100 years old as a legacy of British Pension Law of 1871. Nonetheless it is true that the Rules under the Act were libera-ised from time to time. However, considering the demographic, economic and social changes that have taken place it is imperative to establish parity, equity and social justice for the retirees. These transformations were recognised in the British Law and a number of times the changes were made including the enactments - latest being 1972 'Act, but the Indian Law has remained static'. Therefore enactment of a new pension Act is urgent - which may be potent enough to assimilate the changes that have occurred and those that will occur, so as to keep the pensioners 'above want' in relation to rise in standard of living and national income as also to the changes in prices.

15.15 Innovative pension reforms have taken place in three countries (namely, Germany, Sweden and Belgium) - with the aim of maintaining living standard during retirement. Arising



one  
out of the criteria proposed, <sup>and</sup> as to adopt an adequacy of income standard for social security, <sup>and</sup> old-age benefits which would provide inflation-protected benefits equal to-at least 55 per cent of the individuals or family's (if married) pre-retirement average earnings, during the best ten of the last fifteen years prior to retirement.

15.16 It is recommended that actuarial status, for valuing over time the pension elements be given, in order to remit/disburse the real value of the 'pension amount'.

15.17 Constant Purchasing Power Bonds - in the form of a financial asset - has been recommended by James Tobin and Milton Friedman (eminent American Economists) - to be sold by the Government to the Pensioners/retirees to protect their 'savings' being affected adversely-consequent on inflationary situation(s). These 'bonds' should be adjusted, at the time of cashing with a view to neutralise inflation over the intervening period.

15.18. Educational benefits (e.g., subsidised school fees, related to the capacity to pay) should not cease, following retirement; in fact, the amount be increased since the income is also reduced with retirement. Again, most people marry late, therefore, they have school or college going children, and their woes need to be mitigated so that the expenses do not become a nightmare.

15.19 In order to ease the hardship in owning or renting a house after retirement, the 'hire-purchase system' should be invoked by the Government during the active service as has been done in Punjab early in 1976, or the rental subsidy - as due during the last month of retirement should be continued and income-tax rebate/relief should be continued on the 'rent subsidy'.

15.20 The facilities to purchase usual needs or other 'goods' should remain open for the retirees from the canteens (of Defence Department) and/or consumer cooperative society; and

to avoid confusion, pensioners should be issued identity cards. This card should as well be made valid for getting concessions in Railways and other public transports - since pensioners do not get income-tax rebate/relief for maintenance of a conveyance (either a car or a scooter). Similar facilities need to be continued in regard to Milk Card, fuel gas, etc.

15.21 Family pension should be about 75% of the basic pension since except for 'food' and 'clothing' needs of the deceased pensioner's widow-wife's other requirements remain unchanged.

15.22 The present ban on Class I officers of 'two-years' immediately after retirement to accept commercial employment is not meaningful because after two years' unemployed status and passage of time, pensioners usefulness is reduced. In order to maintain physical fitness and mental alertness, 'occupation of work' should remain alive.

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Draft Policy Statement for the Pensioners  
and the Aged

Amongst the international organisations (particularly UN and its specialised agencies) the International Labour Organisation has long been involved of the aged workers - at work and after retirement, first report entitled : "Older People Work and Retirement" was brought out in 1962 when among others included effect of automation and technological change in employment - followed by a Resolution - 3 (VIV Session), in 1970, which included the questions of (a) employment and training and retraining of aged workers; (b) effects of pension schemes on employment of older workers; and (c) freedom from discrimination on the ground of age. Accordingly, studies are being pursued by the I.L.O.; (2) World Health Organization has been devoting various health problems of the 'aged' along with involving in gerontology and providing of health and social services to the group of aged population; (3) Food and Agriculture Organisation has been related to the effects of change in population structure according to age groups' and also in the quality of life of older people in (and therefore of the aged group) due to decline in death hazards the rural family; and the problem<sup>of</sup> nutrition is being conducted in association with the ILO. The direct organs of the United Nations, namely, General Assembly, ECOSOC, Regional and Commissioners on (a) Social Development; (b) Population; (c) Statistics; (d) Status of Women; (e) ESCAP; (f) ECCA; (g) ECA; and (i) ECME are equally concerned with various aspects of aging United Nations 'General Assembly in the resolution 2842 (XXVI) asked the Secretary-General to prepare a report on the conditions and needs of the elderly and suggest both for national and international policies and actions; the report was submitted to the Assembly which passed two resolutions (3137 and 3138) in its XXVIII Session. An Expert Group constituted by the Commission on Social Development convened its meeting from 6-17 May, 1974. The Secretary-General's Report and Expert Groups supplement form part I and Part II of the UN publication "The Aging : Trends and Policies (Sales No.E.75.IV.3-1975). The Report reviews 60 countries' national



plans and noted that 20 per cent of the countries contain no provision for the aging population; about 25 per cent contain only provisions in the area of social security and insurance schemes. It further observes that uniform pattern of national policy or programme for the 'aging' exists and many countries have no organisational machinery for services for the aged.

2. A Policy on 'aging' has thus become an imperative to guarantee basic human rights to the increasing number and proportions of the 'aged' in the world, regional and country populations; the security against discrimination, loss of work, economic insecurity in equitable distribution of income and wealth is needed. The new situation anticipates reassessment of the health and social service policies in recognising older people as special human resources and demands relying up of new centres and Institutes and train personnel to attend to the problems of the aged, otherwise the migration and the resulting mounting urbanisation and industrialisation are threatening the welfare of the older people - more so, in rural areas. In the context of giving priorities and goals for social and economic development policies, special needs of the older people in relation to their population size require to be properly extended as well as the contributions they can make elements - such as, identification of needs and assessment of available resources, methods of mobilising information on the aged, plans and programmes to be prepared, cost/benefit analysis of different alternative plans, time sequential strategies, evaluation and consequent recasting of the policies are to be considered in the comprehensive, flexible and dynamic way since life span of the older people ranges to 25-45 years or more. Such issues may call for retrieval from the policy thrusts of maximising 'dependency' and 'isolation' of the aged.

Perspective  
and Short  
term plans

3. It is important to have perspective view in enunciating and making a policy - within which time-phases may be broken down for short-term policy aspects; the policy should regard 'Aging' as an inter-generational concept within historical

cultural and developmental context - providing linkages among and between family community and societal characteristics.

'Aging' has a sizeable impact on social institutions - like cultural family, economic government, religious and social structures; these present new challenges and opportunities to the aged also; the size of the household shrinks; the desirability of maintenance, deeper involvement in the 'family home' - rather than making isolated living for the elderly should form the fulcrum for the quality of life for the aged. 'The major policy issue should be the development of age - integrated services and facilities as opposed to age-segregated programmes'. More attention is to be given on adequate diet and nutrition for older persons to enable them to optimally function in the larger society. Housing provision, for the elderly should have a design of environments which support the potential for "age-integrated" activities rather than "age-segregated" activities.

Long-term  
Objectives

4. Long-term policy objective that could be are :

(i) Aging involves increasing temporal sprawl of the family over 4-5 generation with the prospects for improvements in life expectations. It is therefore integral that national policy should cope with increased numbers of aged family members and service systems therefore, be designed which will facilitate care of the aged in own-homes along with the potential - role that younger members of the family can play - towards contributing the well-being of the aged by new mechanism; (ii) Also, it is desirable to prevent the continuance of the existing unacceptable conditions of the aged, for the future aged people; (iii) again, retirement is mandatory for government servants and is based on attainment of a particular age - and it is not based on the 'capacities and capabilities' of the retirees, it is not related to the elimination of unemployment within whole population - but in partial to a group - '20-55(or 58) years' to ensure maximising of their employment at the cost +55 (or 58) years' group. This is a discriminatory practice - as it precludes entry or re-entry into labour force, in the job

market. Long-term objective to include a critical re-assessment of age - discrimination against the older people; (iv) Further, the aged men and women are the most vulnerable section of the population (and more so the women) and they need to be protected in the form of a guarantee (or security) in relation to the 'indices of costs' under inflationary onslaughts and momentum in the 'levels of living' under the spell of economic progress. It is also of value to enter into agreements between government in respect of international migrations of labour<sup>1/</sup> (and also aged and pensioners) and income maintenance in the face of domestic inflation and exchange rate fluctuations; (v) besides, the upgrading of knowledge of aging, gerontology geriatrics is important at the school, university and research levels by running short-term and long-term courses to man various jobs that will develop as well as to train the trainers; and (vi) above all the optional allocation and harmonisation of efforts at the national, regional and international levels are called for doing with the inputs of information systems.

Short-Period Objectives 5. Short-period objectives, should be seen as the initial step that should fit within the long-term frame in regard to needs and conditions of the aged-including real maintenance, food and nutrition, upkeep of health, and community services, counselling and adjustment in loss of work and near and dear ones.

6. Remedial measures for the conditions and plight of the aged have highly traditional and unscientific to improve the lot of the aged. It is imperative to restructure an integrated base even for short-period, covering multi-facets of the governmental functions- and it should be placed at a high pedestal of the administrative hierarchy including cooperation and built-in innovative and flexible participation of voluntary organisations to develop a mix of preventive and developmental measures supplemented by remedial measures, where necessary.

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<sup>1/</sup> ILO - Convention No. 118 of 1962.



Appendix II

The Pension Regulation Bill, 1974, Bill No.102, 1974 introduced by Shri Dinen Bhattacharya, M.P. in the Lok Sabha in August, 1974.

A Bill to regularise pensions to pensioners of Central Government.

Be it enacted by Parliament in the 25th year of the Republic of India as follows :-

1. (i) This Act may be called the Pension(Regulation) Act, 1974;
- 2.(ii) It extends to the whole of India
- 3.(iii) It shall be deemed to have come into force from the date from which the Central Government accepts and gives effect to the recommendations of the Third Pay Commission.

2. In this Act, unless the context otherwise requires Pensioner means all Central Government Pensioners.

- (a) irrespective of their date of retirement.
- (b) 'Principle of Parity' means that the pensioners shall be brought on to the corresponding scale of pay of the existing Government Employees and pensions fixed on the revised scale of pay and emoluments fixed for the existing Central Government employees.

3. Whenever the question of revision of pay of serving Central Government employees is undertaken when warranted by the rise in the cost of living index or otherwise, the question of review and revision of pension shall also be simultaneously undertaken by the agency entrusted with the task of revision of pay of serving Central Government employees.

4.(1) A Pension Committee consisting of members of Parliament with representative of pensioners coopted to such Committee shall be constituted by the Central Government whenever the constitution of such a Committee is warranted by the rise in the cost of living index or otherwise and the Committee shall look into the question of review of revision of pensions based on the 'Principle of Parity' taking into consideration the recommendations made under Section 3 by the agency referred to therein.

(2) In respect of pensions, the recommendations made by the Pension Revision Committee shall have effect.

(3) Pension shall be deemed as a RIGHT Of the pensioners.

(6) The Appropriate authority may, with consent of the holder of pension, order part of the pension or grant of money to be commuted to the pensioner for a lumpsum based on the life expectancy of ten years.

(7) The pension of a pensioner shall be exempt from seizure, attachment on requisition by any court or any authority.

(8) A Central Government shall grant the concessions such as Free Medical Aid to Pensioners and their families, educational concessions to the children of pensioners, long-term loans on low interest to pensioners for construction or purchase of houses as are granted to the Central Government employees.

(9) All the provisions of the Civil Service Regulations which are repugnant to the provision of this Act shall be deemed as annuled and inoperative in so far such provisions relate to the regulation of pensions of Central Government employees.

(10) The Pension Act, 1971 is hereby repealed.

Statement of Objects and Reasons.

The fixation of quantum of pension of retired Central Government employees is still governed and regulated by the out-dated and out-moded Pension Act, 1871.

This Bill seeks to do justice to the pensioners of the Central Government by instituting the 'Principle of Parity' with the employees in service.

There are, at present, about eight million Central Government pensioners.

In view of the fact of the increase in cost of living it is highly essential to increase the pension also.

The Pay Commissions are evading the question with the plea that the question of pension is not an issue under reference.

Hence in the interest of justice it is essential to enact this Bill.

New Delhi.  
the 10th August, 1974.

(true copy)

Sd/- .Dinen Bhattacharya.

Private vs. Public Pension and  
Civil vs. Armed Forces Pension

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In private pensions the significance of security factor enjoys a top priority; and the security is possible primarily through the funding process. In case of public pensions the contrasts exist vis-a-vis private sector pensions. Firstly, the performance by the public sector are basic and are essentially continuing. Secondly, some monopolistic services in the public sector alone can meet the demand of the community; thirdly, once the public sector assumes certain functions, they are performed uninterrupted notwithstanding the changes in the public sector organizational system; fourthly, the public sector funds are financed through the funnel of the taxation powers of the governments once authorised by the parliamentary sanction; and fifthly, there is almost no risk for the pensioners in getting the arrears of pensions regularly. The above public sector characters, in a large way, also exist so far as the pensions are payable by the nationalised industries to their employees; since the nationalised industries are basic in nature and have expanding prospectives, primarily for the welfare of the community. Thus, once the Government backing is available, public sector pension schemes do not need to be funded; they are just in the nature of meeting recurring expenditure as is done in case of various recurring expenditures in the annual budgets of the governments.

With the passage of time and rise in the proportion of the aged population and improvements in the national income through developmental process family size shrinks. Egalitarian distribution of the income in the society and inflationary pressures - even though they may be at the minimal level of creeping inflation, augment the cost of pension as a proportion of salaries and wages. Increase of survival rates of the pensioners raises the bill of pension payments - and it become as high as 30% of the cost of wages. The future direction of pension policy



would therefore largely depend upon the existence of a stable government machinery for crystalising the policy issues. In a Welfare Society the importance of the elderly group of people is bound to increase in number and terms of political consciousness and political pressure; so also the maintenance of the income (or the purchasing power) of the aged will continue to form an important content of the welfare policy. Similarly the increasing role of the public sector in the community will call for more often the government intervention in the field of pensions - including private pensions. All these command to the imperative action for forging the national pension policy.

Once the pension policy is enunciated one of the considerations that will come up is the need for continuous reviewing of various elements of the pensions policy. An occasional review of pension might take different forms and may call for the appointment of a Commission to look primarily after the problems of public pensions and not merely tagging the problem as subsidiary sub-elements of the Pay Commissions as has been done hitherto. There is already a Department of Insurance as a part of Ministry of Finance in the Government and it will be in line to establish an important Division of Pension in this Department because the 'funds of insurance' and 'pension' are in many ways counter Income Policy objectives laid down in the Parliament a couple of years ago. This aspect calls for the full and proper attention to the Income Policy on the Pensioners as also the aged. Rapid social and economic changes compel that the pensions' policy not only periodically requires examination and review it also makes it imperative to develop sharper and more efficient tools to assess the implications over the short periods. The income maintenance policy of the 'aged' in the last quarter of the present century will be highly appropriate when world-wide social and social welfare policies are germinating everywhere and the proportion of senior citizens is growing along with higher survival rates. Both the public and private pensions will continue to grow extensively and the financial liability on the public sector will perhaps rise more

in the defence of the economic structures. India cannot be an exception to this revolutionary and rapid change.

## SECTION II

Within the macro limits of the Public Sector Pensions there are different pensions for different persons. Although the pensions granted to the Armed Forces do not form an exact counterpart of the rest of the Public Sector Pensions because of the unique character of the services under the Armed Forces. Nonetheless, the pensions for civil servants and in the other international services are analogous - including the employees of the nationalised industries. However, there are various institutions which finance pension-liabilities out of funds - such as, the Universities and various other autonomous bodies which have strong traditions of independence with least in government interference may also have inflow of funds from sources other than the Public Exchequer.

We have drawn many of the practices as successors of the British Government and this is applicable in case of pension as well and so also in case of the pension to the armed forces. In the United Kingdom, the superannuation of officers and men of the Army might have been unsystematised until the Neapolian War; and there was no recognised standing "Army or Navy". Only the Commissions to the army were purchased and it contained well into the 19th century and was not abolished until the regulations of the Armed Forces Act of 1871 was passed. The Pension Act in India is also of the year 1871.

In the U.K., earlier a Royal Warrant of 1830, had proposed that a limited number of officers who were worn out and who disobeyed can be retired on full pay; thus the application of this Warrant was highly unlimited. On this state of affairs, a Select Committee of the Parliament in 1863 had observed : "The Active Lists were so created, promotions so obstructed that large retirements became a necessity". A Royal Commission appointed in 1876 concluded that Army Promotions and Retirement that were purchased through Commissions had in practice

abolished. Therefore, they felt that the process of retirement could be brought about in the lower as well as upper ranks and this can be done only when pension or some money on retirement as a compensation was provided.

Service Pensions differ from the normal pattern of civilian public sector pensions schemes inasmuch as they have no direct relation to 'pay' and the time of retirement. Consequently, rise in pay does not automatically lead to the rise in perspective pension as is generally applicable in case of terminal salary pension scheme in the civil service. Therefore, either on account of inflation or for some other reason such as the out-break of war and demand for the army men is boosted, the pension rates are changed or new scales or codes are drawn up in place of existing ones to induce the people to offer for employment. For example, new codes were introduced, in 1955-56, in the United Kingdom, but in 1958, important changes were made in the pension codes following the recommendations of Grigg Committee's Report in 1958. Since 1958, following Grigg Committee's recommendations review of pay and pension are now held every two years and the changes both in pay and pension do occur. The amount of pension, since 1958, by now vary according to rank and total length of service and further lumpsums are payable that amount to about three times of the annual pension; and widows' pensions are one-third of the husbands' pension. In the Army Retirement generally takes place when a man is in his forties and he is likely to have done less than thirty years of service. For the officers the minimum rate of pension is for 16 years service and maximum for 34 years of service. The way in which pensions vary with rank and length in service is illustrated from the various spheres for the year 1962 and 1960-66.



Table 2

Years of Service ↓	Rank →	Captain and below		Major		General	
		1962-64	1964-66	1962-64	1964-66	1962-64	1964-66
16 yrs service		£485 p.a.	£520p.a.	£545p.a.	£585p.a.	-	-
22 yrs service		£600 p.a.	£640p.a.	£705p.a.	£755p.a.	-	-
30 yrs service		£685 p.a.	£735p.a.	£870p.a.	£930p.a.	£2440 p.a.	£2880p a.
34 yrs service		£725 p.a.	£775p.a.	£930p.a.	£995p.a.	£2800 p.a.	£3305p.a.

Service rendered by the Armed Forces beyond the minimum length sharply increases the pension. In other ranks, basic rate of pension for each year of service over 22 years increased and in the case of Police after 20 years, whereas a Captain under the 1962 code received 25% more than his basic (16 years) pension; for 32 year service 40% more; but the corresponding percentages for a Major which were 29% and 60%. These points establish that the judicious approach to services personnel are applicable which is not applicable in case of civilian pensioners. The liberal conditions for pension to the armed forces is due to the fact that the "years of service" is a similar proportion of the total working life. The services also are for fixed term; but to attract them for employment in services the pension system forms an attraction. Therefore it may not be to compare with the rules that are applicable to civilian pensioners.

In India, also the Defence employees' pensions are generally, more favourable. These have been further liberalised by the Government in regard to pension, rates of retiring pension, gratuity for officers of the military nursing services according to Third Pay Commission's recommendations - but still higher - as shown under Table 2 (as announced in the Third week of February, 1977).



TAXATION OF PENSION

Pension problem is complex and therefore, those concerned with the imposition of tax on pensions and also those who have to bear its incidence do not enjoy an easy sail. The impact and incidence of taxation of pension is a subject matter of tax laws and tax practices. The existing arrangements regard pension as an income analogous to a 'salary' or 'wage' notwithstanding the fact(s) that pension contribution is ordinarily earmarked beforehand - either by the beneficiary or the Exchequer in public pension and on the aforesaid 'earmarked money', relief is given. Thus fundamentally the charging of 'tax' on the accrued income is differed to be claimed by the tax authorities from the future accruing income in the form of pension; this principle exempts the 'build up fund' (i.e. the pension fund) and tax accruing benefits.

A paradox exists in some of the public and private pensions where the employer as well as the employee simultaneously contribute to pension in case of such practices, the lumpsum payment accrues as "Superannuation Fund"; and the participants of the Contributory Provident Fund get tax relief of their contribution as well as on the fund contributed by the employer. Thus the principle of tax equity is at variance and anomaly creeps in - which is a reflection on the quality of administration. All the schemes of tax reliefs for pension funds are exempted by the revenue authorities before hand and it is only thereafter that they are put into operation. The scrutiny is preferred by the scheme makers primarily to seek tax reliefs as an enabling act though in relation to the principle it invites alien-ation.

The abusing elements involved in the tax practices and the tax laws ensue largely due to participation by the top income groups in the contributory Provident Fund which entitles them to the tax reliefs. Such ingenuity to evade the tax levy and benefit from the tax relief, does complicate



administration by introducing a distinction which is relevant for tax levy but not in relation to pension payment. Any simplifications in the tax rules can be welcomed at least for purposes of analysis; to import equity it is perhaps necessary to suggest that to "unfund" the pension schemes and turn them into non-contributory might avoid the complications of tax levy.

The plea for "unfunding" of the pension funds rests on the trust in the Central Government's ability to pay pensions on the conditions that it continues and enjoys permanent powers of taxation. The Acts of Parliament guarantee that the pension would be paid and the faith has developed also amongst the civil servants and their employers that the pension will be dealt within a fair and reasonable manner. The central Government schemes are generally unfunded and the burden that accrues is met by the regular provisions in the annual budget for the payment of pension as it develops and grows in size. It is interesting to note that the proportion of the 'pension' in the budget forms a growing share in the total gross cost of the pension in relation to the total 'salaries and the wages' paid by the government to the civil services as will be clear from the **Table - 1** of United Kingdom as also of India.

In sum, the following points need to be recapitulated:

- (i) There can be three methods of public pension payments (or the rewards for the past services : (a) funding; (b) pay as you go with notional funding; and (c) pay as you go.
- (ii) The arguments in favour of funding is that it ensures the payment of benefits as well as spreads the burden of pension costs more fairly and is an effective means of financial control. However, for the majority of schemes in the public sector funding is not essential to provide security and it can remain alive merely by the government guarantee.
- (iii) In any case, funding or no funding financial control is to be imperfect because the quality of assumption changes with varying factors (i.e. few levels of an increase or decrease in the number of staff and price fluctuations).

Table -1 : Cost of Civil Service Superannuation in Relation to Wages and Salaries in United Kingdom (£ millions)  
(including the Post Office)

Financial Year	Gross cost superannuation (excluding Pensions Increase)	Cost of Pensions increase	Total Gross cost (i.e. (2) + (3))	Cost of salaries and wages (non-industrial only)	(4) as Percentage of (5)
(1)	(2)	(3)	(4)	(5)	(6)
1929-30	-	-	7	67	10.5
1947-48	-	-	21.5	245	9
1949-50	-	-	22.9	273	8
1950-51	-	-	25.4	298	8.5
1951-52	-	-	27.6	339	8
1952-53	-	-	29.8	350	8.5
1953-54	-	-	31.9	364	9
1954-55	31.6	2.8	34.4	386	9
1955-56	35.6	2.7	38.3	395	10
1956-57	38.0	4.5	42.5	439	10
1957-58	45.6	4.1	49.7	467	11
1958-59	53.8	3.9	57.7	484	12
1959-60	60.0	4.8	64.8	520	12.5
1960-61	62.7	5.6	68.3	552	12
1961-62	66.7	5.2	71.9	590	12
1962-63	70.4	6.5	76.9	620	12
1963-64	76.6	9.4	86.0	650	13

Sources :

Tomlin Commission (1929-30 only)

Parliamentary Question May 11, 1962; adjusted for cost of widows' pensions (cost of superannuation 1947/48-1960/61).

Civil Estimates : Financial Secretary's Memoranda 1955-56 onwards. (Estimated cost of Pensions Increase and Superannuation)

Whitley Bulletin (cost of salaries and wages)

- (iv) Pay as you go with notional funding have little advantage in relation to merging cost as a means of financial control and on prone to confuse. At the same time, it is true that funding may promote more personal savings which may not be fluctuous in certain states.
- (v) Pay as you go with merging cost assessment as the most appropriate method of financing public sector schemes provided that a government guarantee is provided where it is necessary. It suits the Central States and local authorities, because a reasonable apportionment cost of pension may be made in the budget before hand and therefore this method needs to be introduced everywhere where it does not exist in public sector or private sector establishments.

I. General Provident Fund

1. All temporary Government servants with one year's service and all permanent Government servants other than those who are subscribers to the contributory provident fund, are required to subscribe to the General Provident Fund. The amount of subscription should be not less than 6% of their emoluments (8-1/3% of emoluments in the case of railway employees) except for Class IV employees for whom the minimum rate of subscription is Rs.4 per mensem if their pay is less than Rs.75 p.m. and Rs.5 for others. Employees governed by the contributory provident fund rules have to subscribe each month a sum not less than 8-1/3 per cent of their emoluments as on the 31st March of the preceding year. Government also makes a matching contribution to the account of each subscriber subject to a maximum of 8-1/3 per cent of his emoluments. In both cases the balances in the provident funds earn interest at rates which are fixed by the Government from year to year. The rate of interest fixed on these balances for the year 1972-73 is 6.00 per cent per annum on the first Rs.10,000 and 5.30 per cent per annum on balances in excess of this amount.
2. Employees organisations pleaded to the Third Pay Commission for raising the interest rates on provident fund balances as the deposits should be rated on the analogy of long-term fixed deposits - and also that there should be an insurance against the fall in the balances purchasing power in future as on arising out of the impact of inflation.
3. The Third Pay Commission felt that while the interest rate paid by the Government on provident fund deposits can reasonably be expected to reflect somewhat the cost at which the Government borrows money from the open market the rate so fixed should also correspond closely to the interest rates allowed by nationalised banks, etc. on long-term deposits. It is well known that Central loans are generally subscribed to by institutional investors, rather than by small businesses and



individuals. Since Central Government securities etc. are approved securities, there is a direct inducement on the part of the trustees of funds etc. to divert their investible surplus to these investments. The lower interest rates applicable to such securities need not therefore be the sole determinant of the provident fund interest rates, in disregard of the higher rates available to small investors from the nationalised banks etc. on long-term deposits. There is force in the employees' demand that since provident fund contributions are compulsory, the Government has a moral responsibility to protect the interest of the subscribers. It is also to be noted that the tax concessions on provident fund contributions would generally be available to employees in the higher income brackets only. Moreover, interest earned on National Savings Certificates, and on short-term deposits in banks as well as the dividend income from the shares of Indian companies have also been exempted upto Rs.3000 per annum from the income tax. It could, therefore, be argued that to this extent the interest accruing on provident fund balances is not much different from the interest accruing on National Savings Certificates, short-term deposits, etc. At present nationalised banks pay interest upto  $7\frac{1}{4}$  per cent per annum on 7-year fixed deposits. Recently, the Board of Trustees of the Employees' Provident Fund Organisation have also raised the rate of interest on employees' provident fund balances for the year 1972-73 to 6 per cent per annum from 5.7 per cent in 1970-71, having regard to the return that they are getting from the investments of the provident fund money. We recommend that the rate of interest on the provident fund balances of the Central Government employees should be broadly comparable with the interest allowed by the nationalised banks on long-term deposits.

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Appendix VI

Railway Contributory Provident Fund (and SCPF) in lieu of Pension and DCRG in other Departments including for pension optees in Railways

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All Railway servants are compulsory subscribers except:

(i) those who are re-employed after final retirement from Government service and (ii) those <sup>whose</sup> services were pensionable from 16.11.1957, and of those who were pensionable even before 16.11.1957. They subscribe to the Fund from the first of the month following that in which they complete one year's continuous service or from the date of confirmation whichever is earlier.

Probationers to Railways Services Class I and Class II subscribe from the date of appointments. Employees on refused L.P.R. under rule 2127-RII cease to subscribe to the Fund from the date they proceed on such leave, while those on L.P.R. continue to subscribe to the P.F.

A pension optee is eligible to draw his pension independently during the refused L.P.R. and therefore, the recovery of pension equivalent from the leave salary would not affect him adversely. But in the case of non-pensionable employees, the loss is sizable so in such cases they may reject to work on L.P.R. and prefer to avail the leave due at their credit as L.P.R. before superannuation.

The contributory employees subscribe to the Fund at the rate of 1/12th of their pay including dearness pay, if any, drawn in the prescribed scales, special pay and personal pay. The procedure of recovery of P.F. with effect from 1.10.64 was and the recovery hence forward is being made @ 1/12th of the pay rounded off to the nearest.

(Railway Board's letter No.F(P)62-PF-1/89 dated 17.8.64 S.E. Rly.Estt.Srl.No.253/64).

While officiating in a post an employee proceeds on L.A.P. not exceeding 4 months, the P.F. recovery will be made on the officiating pay provided it is certified that he would have held the officiating appointment but for his proceeding on such leave.

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On the other hand, if he proceeds on leave other than L.A.P. and L.W.P. the P.F. recovery will be made on substantive pay plus average running allowance if there is any, subject to a maximum of 75% of substantive pay.

An employee on leave other than L.A.P. and L.W.P., i.e., on half pay, may postpone his subscriptions and recovery of advances but he pays all the arrears within three months of his return from leave or within one half of the period of his leave - whichever is more.

Government Contribution (Bonus) - In the case of staff appointed before 16.11.1957 and who are not governed by Pension Rules, Government credits to the P.F. in the account of such employees an amount equal to his subscriptions at the end of each half year (i.e. on 31st March and 30th September of each year).

The Government contributions are made only on the confirmation of an employee with retrospective effect from the second year of service. In view of a large number of staff remaining without being confirmed, the rule regarding crediting of P.F. Bonus on confirmation has been relaxed. In the first instance, all Railway employees who completed 3 years service on 31.3.1957 and not confirmed, government contribution is made in all such cases from the date of completion of 3 years service. This rule has been further relaxed, and now the temporary employees recruited between 1.4.1954 and 15.11.1957 as the pension scheme came into force from 16.11.57 and were in service on 5.7.62, Government contribution is made in their cases also on completion of 3 years of service.

If a railway servant quits service on resignation or dismissal no contribution shall be credited to **his** account in respect of the subscriptions for the half year in which the **casualty** occurs. It may please be noted that Government contribution will, however, be made on arrear subscriptions paid during that half year.

No Government contribution is made in respect of the Provident Fund Account of a Pensionable employee.



Contributing to the Provident Fund before 7th March, protected rate of interest at the rate of 4% (now at 5½ per cent) on the accumulations at the credit of the employee. In respect of other subscribers, interest as determined for each year by the President shall be made to the P.F. account of such subscribers.

Interest is credited on 31st March of every year on the subscriptions and bonus standing at the credit of the subscriber on 31st March of the preceding year. In respect of subscriptions made during the current year, interest is credited from the date of deposit to 31st March of the following year. In respect of sums withdrawn during the current year, interest will be made from 1st April to the month preceding the month of withdrawal.

When the amount standing at the credit of a subscriber (i.e. own contribution and government contribution) becomes payable on quitting railway service, interest shall be paid on such amounts from the date it becomes payable to the date of actual payment or six months whichever is earlier. However, if the amount is not paid even within six months, interest will have to be paid beyond the period of six months upto 1 year with the personal approval of FA&C/O if the delay is not due to reasons attributable to the party. If the reasons for such delay are attributable to the administration, the matter is required to be investigated and action taken.

#### SPECIAL CONTRIBUTION TO PROVIDENT FUND

The Railway servants are eligible to SC to PF in the following circumstances :

##### (A) Gazetted Railway Servants

- (i) on completion of thirty years' service; ~~or~~
- (ii) attainment of the age of fifty years; or
- (iii) retirement on account of permanent incapacity due to bodily or mental infirmity; or
- (iv) abolition of appointment due to a reduction of establishment, if other suitable employment cannot be found for the gazetted railway servant.

(B) Non-Gazetted Railway Servants

- (i) on completion of thirty years' service; or
- (ii) attainment of the age of fifty five years; or
- (iii) retirement or resignation after 15 years' service on ground admitted by the controlling officer as good and sufficient from the point of view of the administration; or
- (iv) discharge, as distinguished from dismissal after 15 years' service for reasons other than misconduct; or
- (v) retirement due to permanent physical or mental incapacity, or abolition of appointment, if other suitable employment cannot be found for him.

In this connection, it may be noted that the employees who quit service on any one of the above grounds would be entitled to SC to PF provided the services are certified to be good, efficient and faithful. If the railway servant quits service on grounds other than those mentioned above except death, he is not eligible for SC to PF; for example, if a railway servant resigns from railway service with less than 15 years' service, he is not entitled to SC to PF. If a Gazetted railway servant resigns from railway service, he is not entitled to SC to PF irrespective of the length of service. In other words there is no provision under SRPF rules for sanction of SC to PF to a gazetted railway servant when he quits service on resignation before attaining 50 years of age or completion of thirty years of service. If he has attained 50 years and his service is only say 10 years, he is eligible for SC to PF.

A non-gazetted railway servant who resigns from railway service after 15 years is eligible for SC to PF provided the reasons are certified by the competent authority as good and sufficient from the point of view of the administration. For example, if a non-Gazetted railway servant resigns after 15 years for domestic reasons, he is not entitled to SC to PF as domestic reasons cannot by any stretch of imagination be called good and sufficient from the point of view of the administration.

The power of withholding or reducing or forfeiting the whole or a portion of the <sup>provident fund</sup> is within the powers of the General

Manager in respect of non-gazetted railway servants and that of the President in respect of Gazetted railway servants. The same applies to DCRG also.

A very interesting question was raised by Shri A.K. Bosu the then General Manager, South Eastern Railway, in a case where an employee who after serving for more than 15 years resigned from services and the reasons for resignation were held by the controlling officer as not good and sufficient from the point of view of the administration. He desired to know whether as a logical corollary to the above powers, the denial of SC to PF in such cases vests with the General Manager or with the subordinate officer. He was inclined to the view that as ultimately the SCPF is not being given to the employee, the case should be put up to him for withholding SC to PF. There is considerable force in this view. The practice however is that where a man has become eligible for SC to PF, the subordinate officers send these cases to the General Manager only for rejection or forfeiture of SC to PF. They do not forward papers to the General Manager when they reject the reasons for resignation as not good and sufficient from the point of view of the administration. It is necessary that this question should be given a second thought for the view held by late Shri A.K. Basu seems to me to be the correct view.

CALCULATION OF SC TO PF

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| (a) For employees whose service is 15 years and more | 1/4th of a month's pay for each completed six-monthly period of service subject to a maximum of 15 months pay or Rs.35,000/-whichever is less.  |
| (b) For employees whose service is below 15 years    | 1/4th of month's pay for each completed six-monthly period of service subject to a maximum of six months pay. The controlling officer, may, however, increase the amount in special circumstances to one month's pay for each completed six-monthly period of service subject to an overall maximum of six month's pay. |



(c) In cases of death

In the same manner as prescribed above as if the subscriber on the date of death quitted railway service on account of permanent incapacity. This amount is subject to the following minima :

- |   |  |
|---|--|
| (i) If the subscriber had not completed one year's service                          | The amount by which the Government contributed together with interest thereon falls short of two month's pay.  |
| (ii) If the subscriber had completed one year's service but not five year's service | The amount by which the Government contributing together with interest therein falls short of six months' pay. |
| (iii) If the subscriber had completed 5 years' service or more.                     | Twelve months' pay.  |

'Pay' for the purpose of calculation of SC to PF is taken as substantive pay including dearness pay and special pay when forming part of the scale of pay of the past.

In the case of officiating railway servant, 'pay' will be taken as officiating pay also if he had completed 3 years of officiating service on the date of quitting railway service. In respect of those who had officiated for more than one year, substantive pay will be increased by  $\frac{1}{2}$  of the difference between average pay and substantive pay drawn during the preceding 12 months. Officiating pay drawn while on deputation to their departments of the Central Government or the State Government should be taken into account for the purpose. All leave including LWP taken during the officiating period counts towards the limit of three years and one year if it is certified that the employee would have officiated in the past had he not proceeded on leave.

In this connection no doubt may arise what pay should be taken for the purpose of SC to PF if the employee was under suspension and quitted railway service at the end of it. Assuring that the suspension period was all owed to remain as such, i.e., suspension; the answer is that SC to PF is to be calculated on the pay admissible to the employee had he been on duty and not in what was actually drawn.

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Posts and Telegraphs Department : Employment, Pension Charges and Systems of Pension Payments

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Introduction

Posts & Telegraphs (including Telecommunications) Departments under the Ministry of Communication is a commercial department analogous to the Railways. The Department contributes out of its profits, a revenue to the Central Budget; for example, out of the profit of the financial year 1975-76 dividend of Rs.233.2 million was given to the Central Budget by the Railway Board.

2. Employment : The total number of departmental (or regular) employees at the end of March, 1975 was 4,35,578 (excluding 2,10,382 extra-departmental and 7,286 industrial employees totalling to 2,17,668. Gazetted Officers in regular employment were 6034 (including 234 of the Audit & Accounts Division of the Department) and the non-Gazetted were 438,385 (including 8607 of the Audit & Accounts Division of the Deptt.). In effect, the aggregate number of personnel was 6,62,087 : 4,35,578 departmental; 2,10,382 extra-Departmental; 7286 industrial workers; and 8841 of the Audit & Accounting Division.

3. Employment of Scheduled Castes and Tribes : The representation of the Scheduled Castes and Scheduled Tribes in the employment of the Posts & Telegraphs Department is given in the Table on the following page.

From the above Table, it will be seen that in Class I the Scheduled Caste employees had a proportion of 2.70% as on March 31, 1975, and the Scheduled Tribes only 0.65%; in Class II, 4.6% and 0.3%; in Class III, 12.8% and 3.2%; in Class IV (only sweepers) 87.6% and 4.3%. In the aggregate, however, amongst the total regular employees the Scheduled Caste formed 14.1% of the Scheduled Tribe 3.7% as compared to 7.2% and 3.75% on March 31, 1974. It may be observed that in Class III & IV the representation of the Scheduled Caste is not discouraging.

Total Number of Employees, Scheduled Castes and Scheduled Tribes  
employees as on 31.3.1975 in the Department of Posts & Telegraphs

Class	Total No. of employees	Scheduled Castes	Percentage to total No. of employees	Scheduled Tribes	Percentage to total No. of employees
1.	2.	3.	4.	5.	6.
Class I	1,621	45	2.70	11	0.70
Class II	4,179	191	4.06	12	0.30
Sub-total	<u>5,800</u>	<u>236</u>	<u>4.00</u>	<u>23</u>	<u>0.40</u>
Class III	3,50,655	44,938	12.8	11,157	3.20
Class IV (excluding sweepers)	76,273	14,537	19.10	4,005	5.20
Class IV (Sweepers)	2,850	2,457	87.60	122	4.30
Grand Total :	4,35,578	62,158	14.01	15,307	3.70

II. Extra-Departmental  
& Industrial  
Workers **7,286**

G. Total : 6,53,246

Add Audit/Accounts  
Officers 8,841  
6,62,087

Source : Appendices XII and XIII of the 1975-76  
Annual Report of the Indian Posts & Telegraphs  
Department (Pages 30-32), Director General,  
Posts & Telegraphs, New Delhi, March, 1976.



About 3000 officers : 2500 non-Gazetted and 100 Gazetted Officers have been retiring every year in the seventies; in comparison earlier the number of retirees was much below, actually the numbers retired were around 2000 and 50 respectively for non-Gazetted and Gazetted officers in 1969-70.\*

4. Annual Pension Charges of P & T Department

According to the pension rules, the 'pensionary charges' were Rs.91.2 million in 1975-76; Rs.45.16 and Rs.47.04 million for postal and joint departments, and telecommunication pensions as compared to Rs.58.6 millions; Rs.52.5 millions in the 'postal and other joint departments' and Rs.6.13 millions in the 'telecommunication department' in 1973-74. The aggregate increase, in two years, works out at 50 per cent or more, i.e., 25% per annum. Out of the 'net working expenses' represent a proportion of about 2.4% similar to what was in 1973-74 though it was lower at 2.03% in the Telecommunication Department notwithstanding the rigidity of proportion in the Postal and joint departments at 2.4%.

It is obvious that the Posts & Telegraphs Department have streamlined procedures to a certain measure, in regard to sanction and payment of pension. The Accountant General of the Department is authorised to grant ad hoc payment of pensions for a period of six months or more without waiting for the sanction by the proper authority. As regards the payment of the gratuity, it is laid down that it should be paid within a week's time of the date of retirement of the pensioner; these payments are to be effected either through the Accounts Officer or by the Divisional Engineers in the different Divisions of the Department; and further it is not necessary always to make the remittances through the post offices. To monitor the expeditious payment, quarterly reports are submitted in the Posts & Telegraphs Departments to the P & T Board which looks immediately into the matter for sanction as well as payment of the pension to the retirees at an early date. To remit pensions early to the pensioners, it is provided that the payments can even be

remitted through money orders if the amount upto Rs.100/- on the first day of every month.

5. Methods of Pensions sanction of Pensioners : Number of Post Offices as on 31.3.1975 was 1,17,222 : 11,509 in urban areas and 1,05,713 in rural areas. On an average giving one post office for 27.3 sq. kilometres of area in the country; the best service is in Delhi Union Territory with one post office for 3.3 Sq. Kilometres of area, followed by Kerala 9.24 Sq. Kilometres and Tamil Nadu 11.87 sq. kilometres and 14.62 sq. kilometres in West Bengal. Thus, it is clear that the Posts & Telegraphs Department has a built-in-system of offices almost in all the urban areas and about more than one post office for every six villages. This affords to the department an advantage in respect of making the payments in regard to salaries as also pensions to the current employees as well as the retired irrespective of their income and status strata.

Notwithstanding the above, the system of payment of pensions in the department takes two different courses in respect of the employees of the department. The Accountant General, Posts & Telegraphs arranges the payment through the post offices; thereby, on a working day pensioner visits with confidence the allotted post office, to get the disbursement of the due pension that very day. In case of the employees of the Telecommunication department (which covers telegraphs, wireless, telecommunications and others), the payment of pension is through the departmental office(s) where the employee retired, this facilitates the payment to the retirees in 'good time' and 'with convenience' because the case dealing personnel also have known the pensioner and have familiarity about them and the question of identity and other things do not arise.

6. Retirees : The facility of the aforesaid two systems of payment are however, not available to the most of retirees of the other departments. Most of them have to depend on the system followed differently by different Treasuries where the payments are received by the visiting retirees after a long ordeal of 5-6 hours.

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Appendix VIII

Simplification of procedures with a view to eliminating delays in the payment of superannuation pension and death-cum-retirement gratuity - A brief account of salient changes (Ministry of Finance O.M.No.F.11(3)-EV(A)/76 of Feb.28, 1976)

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The question of simplifying and expediting the procedures for the sanctioning and grant of pension to Central Government employees has been under Government's consideration. The President is pleased to decide that the following modifications in the CCS (Pension) Rules, 1972, and other relevant orders will come into effect from 1st March, 1976, that is, in respect of persons retiring on or after 29th February, 1976.

2. The payment of superannuation pensions should in all cases commence on the first of the month in which they are due. For this purpose, Heads of Offices and others responsible for or connected with pension cases, including those responsible for issuing pension payment orders, will be required to observe the following time-schedule for the various processes leading to the authorisation and payment of pension and gratuity. The Government's intention is that while the preliminary and preparatory work should be commenced sufficiently in advance and adequate time allowed for the various stages and processes of work, these should not be allowed to be unduly prolonged or to become interminable; to obviate this, firm cut-off dates are prescribed for each stage such that when a cut-off is reached the work will then necessarily proceed to the next stage.

- (i) Preparing the pension papers will initiate the pension case two years before the date of retirement of the Government servant essentially that of assembling the information necessary for working out the qualifying service (or, at a later date, the calculation of average emoluments). Any gaps, deficiencies and imperfections in the service book/records, every effort should be made at this stage to remove these. This process should be completed in good time and at any rate not later than 8 months in advance of the date of retirement/servant irrespective of the degree of perfection.
- /of the Govt.



- (ii) The average emoluments will be determined with reference to emoluments drawn during the last 10 complete months (and not 6 months as was the practice heretofore). (While the period to be taken for average calculations has been reduced, the other provisions of Rule 34 of the CCS (Pension) Rules, 1972 will continue to apply mutatis-mutandis).
- (iii) The process of determining the qualifying service and the average emoluments and the admissible pension and gratuity should be positively completed within a period of 2 months, and the pension papers should be sent to the office responsible for issuing the pension payment order not later than 6 months before the date of retirement.
- (iv) In those cases in which the retirement of a Government servant takes place earlier than the normal date of compulsory retirement either in pursuance of the provisions of FR.56(j) or (k) (and the corresponding provisions in the CCS(Pension) Rules, 1972), or because of the deemed retirement in terms of Rule 37 of the CCS(Pension) Rules, 1972 on the grounds of permanent absorption in a public sector undertaking/autonomous body, the nature of retirement would preclude advance action in regard to the pension case. In such cases too, the pension case would have to be processed very expeditiously, and instructions in this regard will be issued separately.
- (v) Administrative sanction to pension and the concept of approved service : The determination of pension will hereafter be merely a matter of calculation in accordance with the rules, and the pension papers need not be submitted to the Head of the Department or the Appointing Authority.
- (vi) Steps shall be taken by the Head of Office to authorize the payment of provisional pension and gratuity by the first of the month in which it is due in case the pension papers have been sent late. For this purpose, such information as is available in the official records may be used, and further, the Head of Office should ask the retiring Government servant for a simple statement giving his total length of service (from the date of joining duty to the date of retirement indicating the period of breaks, if any), and also the emoluments during the last ten months of service. The retiring Government servant may also be asked to certify that the facts stated by him are correct to the best of his knowledge and belief. If complete information in regard to the emoluments drawn during the last ten months is not available either with the Head of Office or with the Government servant, the emoluments last drawn should be

taken provisionally as average emoluments. The Head of Office shall sanction 100% of the pension calculated with reference to the information so obtained, as a provisional pension. The death-cum-retirement gratuity should similarly be determined. The provisional pension and gratuity will be drawn and disbursed by the Head of Office in respect of non-gazetted Government servants.

- (vii) In respect of gazetted Government servants Anticipatory Pension Payment Order can be issued, if the final pension payment order has not been issued by the Accounts Officer one month before the retirement date.
- (viii) Provisional Pension to become final after six months : The provisional pension is not intended to be continued beyond a period of six months from the date of retirement. If the office responsible for issuing the Pension Payment Order has not finalised the pension case by that time, the provisional pension shall be deemed to have become final and it will be obligatory for the Office concerned to issue the final Pension Payment Order for the amount of pension and gratuity already calculated on a provisional basis; and the deduction made from the gratuity shall also be released.
- (ix) Dues other than those pertaining to Government accommodation : In respect of other Government dues steps, any further probing of records for recoveries due shall cover only a limited period that is not more than two years before the date of retirement.

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Appendix IX

Subject : Scheme for payment of pensions by Public Sector Banks -  
A brief account of salient features (Ministry of  
Finance O.M. No.F.10(23)-B(TR)/76 dated the 11th  
June, 1976

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1. The existing system of disbursement of pensions to Central Government civil pensioners provides for personal appearance of the pensioner at the Treasury for receiving pension unless he arranges to collect it through an authorised agent or a scheduled bank. It has been observed that the growing volume of pension payments of centralisation of the payment work in treasuries has contributed to delays in disbursal of pensions causing hardship to pensioners. After consultation with the Comptroller and Auditor General of India and the Reserve Bank of India that the services of Public sector Banks (State Bank of India and its subsidiaries and the Nationalised Banks), should be utilised in arranging payment of Central pensions. Pensions will be paid through PSBs by credit to the pensioner's Savings Current account at the I.B branch selected by him. Payments will be credited to the pensioner's account on the first working day of the following month: exceptionally, if for any reason such as rush of work on that day, the payment of any pension is delayed. It must be ensured that it will be paid as soon as possible thereafter, and, in any case, before the 7th of the month succeeding the month for which the pension is due. No bills will be required to be submitted for this purpose. Every pensioner availing of this facility will open Savings/Current account in his name, unless he is already having one. Further, the pensions will not be paid in cash or through a "joint" or an "either or survivor" account.

2. The scheme covers all civil pensioners (including family pensioners and commutation payments to the pensioners) of the Central Government, including all-India Service Officers who retire/retired from a post under the Central Government. However, this excludes Defence, Railways and P & T civil pensioners would not be covered for the present but includes later extensions to



the pensioners of Union Territory Administration (Delhi, Chandigarh, Andaman and Nicobar Islands, Dadra Nagar Haveli and Lakshadweep) and this has also been made effective from November 1, 1976. To start with the scheme was introduced from 1st July, 1976 in Delhi/New Delhi, Bombay, Madras, Calcutta, Hyderabad, Bangalore and Lucknow. It would be extended to other centres in due course; and actually it has now been extended from November 1, 1976 for Central Government Pensioners to the States of Gujarat, Haryana, Karnataka, Kerala, Maharashtra, Uttar Pradesh and West Bengal.<sup>1/</sup>

The existing Central civil pensioners who are drawing their pension from treasuries at the aforesaid places were an option to continue to draw their pension from the treasury or to draw pension from any PSB<sup>2/</sup> branch at the specified places. Employees retiring on or after 1st July, 1976 or 1st November, 1976 will likewise have the choice to draw their pension from a treasury or a PSB branch at the specified place.

3. The detailed procedure to be followed for transfer of pension payment work to PSBs and accounting of pension payments under the Scheme is outlined in the O.M. under reference : briefly, the records of the Treasury PSB's will be made straight following the application for the 'option' by the pensioner in regard to transfer of PPOB to the PSBs. Personal identification (as regards signatures, photographs etc.) will be only for first payment of pension at a PSB branch. No bills will be required

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<sup>1/</sup> The banks selected for each State are, Bank of Maharashtra, Bank of India, Dena Bank and Union Bank of India, for Maharashtra; State Bank of Mysore, Canara Bank, Syndicate Bank, Union Bank of India and Indian Bank for Karnataka; Punjab National Bank, Allahabad Bank, Central Bank of India, Union Bank of India and Bank of Baroda for Uttar Pradesh; Punjab National Bank, Central Bank of India, Syndicate Bank, Bank of India and Union Bank of India for Gujarat; State Bank of Travancore, Canara Bank, Syndicate Bank, Union Bank of India and Central Bank of India for Kerala; United Bank of India, United Commercial Bank, Central Bank of India, Allahabad Bank and Bank of India for West Bengal; Punjab National Bank, Central Bank of India, United Commercial Bank for Union Territory of Chandigarh.

<sup>2/</sup> PSB - Public Sector Bank Branch.

to be submitted by the pensioners for drawing their pension through a PSB, the payment of pension after deduction of tax (vide paragraph 8.4 below) will be made by the PSB by credit to Savings/Current Account of the pensioner. Every payment will be entered on the both halves of the PPO and authenticated by the authorised officer of the Paying Branch. The paying branch will be responsible for deduction of income-tax at source from the pension payments in accordance with the rates prescribed from time to time. In cases of pensioners from whose pension income-tax has been so deducted, the paying branch will issue, in April each year, a certificate of tax deducted in the form prescribed in the Income-tax Rules.

4. CERTIFICATES TO BE SUBMITTED BY THE PENSIONERS

Pensioners would be required to submit a life certificate once a year in the month of November and a certificate of non-employment under Central or a State Government or a Government Undertaking or a Corporation or an autonomous body or a Local Fund once every six months (May and November). Officers of Reserve Bank and other PSBs are authorised to give life certificates for pension payment under the Scheme. In the case of family pensions, certificate of remarriage/non-marriage is required to be furnished by the recipient once in six months, i.e., in May and November.

Central Service Class I Officers are also required to furnish a declaration about acceptance/non-acceptance of commercial employment within two years from the date of retirement. They are also required to furnish declaration about acceptance/non-acceptance of any employment under any Government outside India. Such declarations should also be obtained every six months (May and November). Where such employment has been accepted without obtaining Government's approval, the paying branch will seek Government orders through the Treasury before making further pension payments.

4-A. The PPOs issued by the Accountant General indicate the entitlement in respect of family pension to the widow/husband

consequent on the death of pensioner. The Treasury Officers are authorised to commence payment of family pension on receipt of death certificate of the pensioner and the application for grant of family pension to her/him in Form TR 40A (Annexure E). A separate PPO is not issued for this purpose by the Accountant General.

4-B. In the case of pensioners drawing their pension through PSBs, payment of family pension will be made only on specific authorisation by the concerned Treasury Officer. Consequently, on receipt of intimation of death of the pensioner, the paying branch will obtain the death certificate and application for family pension in Form TR 40A (Annexure E) and send them along with both the halves of the PPO specifically for payment of family pension and take steps for arranging payment thereof through the PSB under intimation to the Accountant General.

5. Applications for transfer of pensions may fall under any of the following categories :

- (i) transfer from one branch to another of the same PSB at the same Centre;
- (ii) transfer from one place to another which may involve payment by the same PSB or another PSB or by a treasury.

Requests coming under category (i) may be entertained by the P.S.B. The Link Branch of the P.S.B. concerned will make necessary entries in the register prescribed (Annexure 'B') under intimation to the Treasury. No requests ordinarily be entertained for transfer of pension from one PSB to another PSB at the same station.

In a case, falling under (ii) above, the paying branch will return both halves of the PPO of the pensioner to the Treasury Officer through its link branch indicating the month upto which the payment has been made to the pensioner. On receipt, the Treasury Officer will take necessary action for payment of the pension at the branch of the P.S.B. or the treasury as per pensioner's request in terms of these orders or Rule 335A of CTRs as the case may be. Except as provided for above the transfer of a pension from one place to another will



not ordinarily be permitted.

6. Whenever relief/ad hoc relief to pensioners is sanctioned by Government, the Accountant General on receipt of orders issues a general authority to the Treasury Officers within his jurisdiction for arranging payment. On receipt of such instructions, the Treasury Officer will recall the PPOs from the PSBs in a phased manner and on their receipt endorse on the PPOs the revised admissible amount of temporary increase and the date from which the increase is payable and return them to the paying branches of the PSBs through their link branches. The paying branch will make payment on the revised basis only on receipt of specific authorisation in this regard from the Treasury Officer.

7. The Public Sector Banks have to indemnify the Government against any wrong or over payment to pensioners and execute necessary indemnity bond being prescribed for the purpose. To safeguard their own interests, the PSBs will obtain an undertaking from the pensioner that excess payment credited to the accounts of the pensioners can be recovered by the bank. The accounts, records and registers maintained in the branches of the PSBs making pension payments and also in the link branch shall be open to audit by the Comptroller and Auditor General of India or any person appointed by him in this behalf. With the introduction of this new Scheme, the present restricted facility for collecting pensions through the banks on the presentation of bills to the treasuries will become unnecessary and will be withdrawn in stages as and when the new scheme is introduced at any branch of a PSB.

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Appendix X

Brief Summary of the payment of Pensions to Railways  
Civil Pensioners through Post Offices

Subject : Disbursement of pension to railway pensioners through Post Offices (vide Ministry of Railways - Railway Board O.M. No.75 AGII/20/1 of July, 1976.

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Under the existing system, the disbursement of pension to Railway pensioners is mostly being done by the Treasuries. It has been observed that the growing volume of payment has contributed to delays in disbursement of pension causing avoidable hardship to pensioners. In this context, a Scheme for disbursement of pension to railway pensioners through Post Offices has been under the consideration of the Government for some time. Such a Scheme may make for the convenience of pensioners in other ways also. The Scheme has since been finalised in consultation with the Ministry of Finance, P&T Board, Department of Personnel & Administrative Reforms and the Comptroller & Auditor General of India and was introduced with effect from 1st August, 1976. (A copy of the Scheme is enclosed for your information and guidance)

2. The salient features of the Scheme are as under :

- (i) The amount of pension will be credited automatically to the Post Office Savings Bank Account of the retired employee on the first working day of every month. A separate series of Post Office Savings Bank Account will be operated for this purpose;
- (ii) No bill is required to be presented every month by the pensioner for his pension;
- (iii) The pensioner will be required to apply for the opening of a Savings Bank Account (Pension) in the particular Post Office in which he wants to draw his pension; he will also have to give an undertaking that excess payments on account of pension credited to his Savings Bank Account can be recovered by the P & T Department.

- \* (a) Disbursement of pension through Post Offices is an additional facility. Existing railway pensioners as also railway employees who retire from service hereafter will continue to have the option of drawing their pension from the Treasuries as per existing procedure.
- (b) A pensioner who has opted for this Scheme is free to revoke his option to draw his pension from a Treasury by giving a suitable notice to the particular Post Office from where he has been drawing his pension.

- (iv) A pensioner has to appear in person before the Postmaster concerned before the first credit of pension under this Scheme.
- (v) All railway employees who retire from service hereafter may opt for payment of pension through Post Offices instead of through Treasuries.
- (vi) Existing railway pensioners, who are drawing pension through the Treasuries (or through the Railways at Calcutta) may also opt to draw the pension through Post Offices under this Scheme.

3. To begin with Scheme will be introduced at the following fifteen places :

New Delhi, Bombay, Calcutta, Madras, Gorakhpur, Hyderabad/Secunderabad, Gauhati/Pandu, Lucknow, Varanasi, Jamalpur, Chittaranjan, Kharagpur, Ajmer, Nagpur and Tiruchirapalli.

4. Death-cum-Retirement Gratuity : Payment of D.C.R.G. will continue to be made by the Railways as hitherto.

5. Family Pension : The Scheme is applicable to family pensions also in the event of death of the pensioner.

Receipt of Family pension : The amount of family pension payable to the widow/widower of the deceased pensioner is given in the Pension Payment Order. When he/she becomes entitled to receive family pension, the Head Post Office will on receipt of :

- death certificate of the pensioner,
- application for grant of family pension,
- application for opening of a Savings Bank Account in the name of widow/widower for this purpose with an undertaking for recovery by the P&T Department any excess credit to widow/widower's account as per Annexure I.
- A copy of her/his photograph

authorise the concerned Post Office to start paying family pension to the widow/widower as mentioned in the PPO.

6. Commutation of pension : The commuted value of pensions may also be drawn through the Post Office through which pension is being drawn.

7. Procedure in respect of raising of debts - The Director of Accounts (Postal) will raise debits against the F.A.&C.A.O. of the Railway concerned for the payment of pension made by the



Post Offices under his jurisdiction. The particulars of the concerned Directors of Accounts (Postal) in the 15 places where the Scheme will be operated, are contained as below :

In Hyderabad GPO, 23 Post Offices; in Hyderabad Jubilee H.O.; in Secunderabad H.O.; 46; in Jamalpur, 2; in Delhi G.P.O., 61; in Indraprastha H.O., 8; in Krishan Nagar H.O., 24; in New Delhi, H.O. 43; in Parliament Street, H.O. 54; Ramesh Nagar, H.O., Sarojini Nagar H.O., 45; Nagpur GPO, 37; Nagpur City H.O., 18; Bombay GPO, 13; Bombay GPO, Kalvadevi H.O., 2; Mandui H.O., 4; Bombay Central H.O., 19; Mahim H.O., 18; Chinchbinder H.O. 17; Dadar H.O., 18; Chinchbunder H.O., 17; Dadar H.O., 28; Pabeshwar H.O., 31; Borivli H.O., 21; Girgaon H.O., 5; Gauhauti H.O., 40; Ajmer H.O., 33; Tiruchirapalli H.O. 36; Chatpet H.O. 85; St. Thomas Mt. Headquarters, 29; T. Nagar H.O., 13; Thyagaraj Nagar H.O., 50; Gorakhpur H.O., 30; Lucknow Chowk H.O., 42; Lucknow G.P.O., 44; Varanasi H.O., 53; Alipur H.O., 23; Calcutta G.P.O., 23; Park Street, H.O. 24; Bara Bazar H.O., Calcutta 19; Belaghat H.O. Calcutta 13; Cossipura H.O. Calcutta 12; Tolly Gunj, H.O. Calcutta 33; Howrah 1, Kharagpur I, Chittaranjan 1.

8. In the Class III and Class IV categories of staff there will be some employees who will not be fully literate. It will have to be ensured through the Officers and Welfare Inspectors of the Personnel Department and the Officers and Senior Subordinates of the Departments concerned that the Scheme has been explained to all such staff and understood by them, particular attention being paid to employees in Class IV category. The employees should be given necessary assistance in filling up of the forms correctly by the Welfare Inspectors and Senior Subordinates of the Departments concerned.

The Railway Administration should devise a suitable system to make sure that the work in this respect proceeds along correct lines from the start and that the work does not fall into arrears either in respect of preparation of pension documents or in the matter of security and acceptance of debits to be received from the Directors of Accounts (Postal) Board attach the utmost importance to both these aspects.

9. The personal identification of the pensioner will be the responsibility of the Post Master of the Post Office where the

pension is to be paid. The identification will have to be done in accordance with the procedure laid down under Rule 356 of the Central Treasury Rules.

10. Relief to Pensioners : Whenever relief/ad hoc relief to pensioners is sanctioned by Government, the Ministry of Railways would convey the same to all the Directors of Accounts(Postal) for enabling them to instruct the Head Post Offices concerned to take necessary action for recording the necessary entries in the PPOs at their end. Action would simultaneously be initiated by the Head Post Office for instructing the Post Offices under its jurisdiction for incorporating the necessary entries in the P.P.O. which is in the custody of the Post Offices concerned. Thereafter the revised pension amount inclusive of the reliefs would be credited to the Savings Bank Account along with arrears. If any, on this account as per procedure already laid down under the Scheme.

11. Income Tax deductions - Income Tax will be deduced by the Post Office wherever necessary from the monthly pension. The total amount of income tax to be deducted will be calculated by the Head Post Office and intimated to the Post Office concerned. Deductions will be made in monthly instalments. The gross amount of the pension will be credited to the pensioner's account and simultaneously a debit entry of income tax deductions will be made. At the close of the financial year the Head Post Master will furnish a certificate in form at Annexure VI to the pensioner showing the gross amount of pension payable in the year and the total amount of deduction made on account of income tax.

12. Arrears of pension on death : Pension can be drawn for the day of the pensioner's death. When a pensioner dies, the rightful claimant of the balance lying at the pensioner's Savings Bank account will have to furnish a death certificate to the Postmaster concerned, on receipt of which the Postmaster would work out any arrears due to the deceased or over payments, if any, made to him. The Post Master concerned will immediately take action for recovery/adjustment of the overpayments in accordance with the rules of Post Office Savings Bank Accounts(Pension). For paying of any arrears to the heir of the deceased pensioner, the Postmaster will seek instruction of the pension sanctioning authority through the Head Post Office and Director of Accounts(Postal).

Characteristics of some of the Inflation-proof  
Pension Plans followed in the U.S.A.

The upward movement in prices over the last quarter century has focussed attention on the need for protecting the purchasing power of retirement benefits and has led to the establishment of pension plans (relatively few in number, as yet) which undertake to provide benefits that vary inversely with changes in the purchasing power of the dollar.

Cost of living Plans : The most direct - and responsive method of adjusting retirement benefits, to changes in the price level, is to stipulate in the plan that benefits will be modified in accordance with a prescribed procedure to reflect variations in a specified index of prices. Plans established thus far have designated the Consumer Price Index of the Bureau of Labor Statistics as the measuring rod; but interest has been expressed in the construction of a more specialized index which would show changes in the price of items making up the budget of retired persons.

The simplest arrangement of this type undertakes to adjust the benefits of retired persons, originally computed on the basis of final average pay, to reflect changes in the price level that occur after date of retirement. The procedure tends to be rather complicated, involving either upward or downward adjustment in benefits whenever the average level of prices over a specified period of time, such as, twenty-four months, deviates from the base price level more than a stipulated percentage. For example, the plan may call for an increase in benefits when the average level of prices for the designated period exceeds 105 per cent of the base period price, with the benefits being reduced when the price index falls below 90 per cent of the base. The plan may place a limit on the extent of the increase or reduction in benefits on any one adjustment date.

A more complex cost-of-living plan has been devised to reflect changes in the price level that occur after the



crediting of each unit of benefit. The adjustment takes place only at retirement, but with respect to each unit of benefit it reflects the actual change in prices that has taken place since the benefit was earned. There is usually a limit on the percentage adjustment of each year of the intervening period. After retirement, adjustments follow a procedure similar to that described above.

These plans can be underwritten by a life insurance company or administered through a trust fund. The employer absorbs the cost of upward adjustments in benefits and receives credit against current contributions for downward adjustments. If the plan is administered through a trust fund, a substantial portion of the fund is usually invested in equities in order to hedge the employer's risk of having to pay higher benefits than anticipated. The assumption is that over a long period of time increases in the price level will tend to be matched by increases in the market value of equity investments.

Apart from the provision for adjusting benefits, these plans tend to conform to the conventional approach. Employee rights are determined according to the principles discussed above, and the employer protects his interest in the manner described in a later section of this chapter.

Equity Annuity Plans : A less direct method of adjusting retirement benefits to price level changes and one that has been the subjects of much discussion and controversy is the so-called "equity annuity" plan <sup>a/</sup>. The theory underlying this plan is that over an extended period of time, fluctuations in the market value of a representative group of common stocks and the other equity investments will tend to conform rather faithfully to changes in the consumer price level. Hence, it is postulated, if all the funds contributed under one segment of a firm's employee retirement program were to be invested and reinvested in equities, and benefits under that portion

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<sup>a/</sup> This plan is perhaps more widely known as the "variable annuity" arrangement, but inasmuch as the "cost of living" pension plan also contemplates an annuity of variable value, it seems preferable to the second approach as the "equity annuity" plan.

of the program were related to the current market value of the portfolio, the total benefits under the program - including those expressed in a fixed number of dollars - should tend to be correlated with price level fluctuations over a reasonably long period of time. Moreover, the participants, not the employer, would bear the risk inherent in the variable portion of the program.

Conceivably, an equity annuity plan could be operated as the sole component of a firm's retirement program, but the prospects for stabilizing the purchasing power of the retirement benefits are much more promising if such a plan is combined in reasonable proportions with a pension plan that provides a fixed dollar income. Experience has shown that the market value of a common stock portfolio can deviate sharply and for considerable periods of time from the trend of prices. In other words, common stock prices are far more volatile than the Consumer Price Index. These fluctuations need to be counter-balanced by benefits which vary with neither common stock prices nor the prices of consumer products.

An equity annuity plan may operate on either a defined contribution or - contradictory as it may seem - defined benefit basis. The following description assumes a defined contribution arrangement and relates only to the equity annuity component of the over-all retirement plan. Modifications necessitated by the defined benefit approach will be indicated later.

All contributions under the plan, whether they originated with the employer or the participants, are invested in equities and credited to the participants in the form of "accumulation units." The accumulation unit is assigned, at the inception of the plan, an arbitrary value such as \$510, this value being used to determine the number of accumulation units to be credited to the participants out of the initial contributions. Thereafter, the units are revalued at intervals to reflect changes in the market value of the equities making up the portfolio. On any valuation date, the value of each accumu-

lation unit is determined by dividing the market value of the asset underlying the accumulation units by the aggregate number of units. Dividends and other investment income are usually allocated periodically to the participants in the form of additional accumulation units, although they may simply be reinvested without allocation and permitted to increase the value of each existing accumulation unit. Capital appreciation or depreciation is always reflected in the value of the accumulation units, rather than in the number of units. In other words, both realized and unrealized gains and losses are reflected for individual participants through an increase or decrease in the value of their accumulation units. All contributions after the first are invested in accumulation units at their then market value.

When a member of the plan reaches retirement, the accumulation units standing to his credit are exchanged for "annuity units". The number of annuity units that will be acquired by the pensioner depends upon the assumptions as to mortality, investment earning, and possibly expenses, and upon the market value of the assets underlying the annuity units. In essence, the number of annuity units is determined by dividing the dollar value of the accumulation units by the present value of a life annuity at the participant's attained age in an amount equal to the current value of one annuity unit, adjusted for monthly payments. Whereas, the number of accumulation units of a particular employee increases with each payment into the fund and each allocation of investment earnings, the number of annuity units remains constant throughout the liquidation period. The units are revalued each year, however, the value at each valuation date reflecting the current market price of the assets in the fund and the mortality, investment, and expense (if an insured plan) experience of the preceding



year.<sup>1/</sup> The dollar income payable to the pensioner each month is arrived at by multiplying the number of annuity units by the current value of each unit. During the annuity - or liquidation - period, the higher the market price of the common stock and other assets and the greater the rate of earnings, the greater will be the dollar income of the pensioner. During the accumulation stage, however, it is to the advantage of the participant for stock prices to be relatively low, since he will thus be able to acquire a larger number of accumulation units for each contribution made on his behalf.

The foregoing mechanism can be adapted to a defined benefit type of plan by crediting the participants with benefit units in accordance with a formula, rather than having the units determined by fixed contributions. The plan specifies by means of a conventional formula the amount of dollar benefits that will nominally be credited to a participant during a particular period of service and these dollar benefits are converted into benefit units by dividing the dollar value of one unit at the conversion date into the sum of the dollar benefits. No distinction is made between accumulation units and annuity units.

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b/ More precisely, the value of an annuity unit at the end of each fiscal year is obtained by dividing the current market value of the fund supporting the annuity units by the present value of the total number of annuity units expected to be paid over the future lifetime of all persons then receiving annuity payments, in accordance with the assumptions as to mortality, investment earnings, and expense rates for the future.

The original and largest equity annuity plan is that operated by the College Retirement Equities Fund, under a special act of the New York State Legislature, for participants in college and university retirement plans underwritten by the Teachers Insurance and Annuity Association. The plan functions on a money purchase basis in conformity with the mechanism described above. A participant in a TIAA plan is given the option of allocating to CREF 25, 33-1/3, or 50 per cent of the contributions to the plan in respect of his participation. The great majority of persons who have elected to participate in CREF have chosen to allocate 50 per cent of contributions to that component of the retirement program.

Only in a few jurisdictions thus far are life insurance companies permitted to issue equity annuity contracts.

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# THE INDIAN INSTITUTE OF PUBLIC ADMINISTRATION

INDRAPRASTHA ESTATE, RING ROAD, NEW DELHI-110002

भारतीय प्रशासन संस्थान

आई० पी० इस्टेट, रिंग रोड,

नई दिल्ली-११०००२

## PROBLEMS OF GOVERNMENT PENSIONERS IN DELHI

दिल्ली में सरकारी पेन्शनरों की समस्याएँ

### I Demographic Data/Background Data

पृष्ठभूमिक ब्योरा

1. Name of the Pensioner : \_\_\_\_\_  
पेन्शनर का नाम

2. Sex \_\_\_\_\_ Male \_\_\_\_\_ Female \_\_\_\_\_  
लिंग पुरुष स्त्री

3. Marital Status : \_\_\_\_\_ Single \_\_\_\_\_ Married \_\_\_\_\_ Widow \_\_\_\_\_ Separated \_\_\_\_\_ Divorced \_\_\_\_\_  
वैवाहिक स्थिति अविवाहित विवाहित विधवा विच्छेद विलग

4. Age/Date of Birth : \_\_\_\_\_  
आयु/जन्म-तिथि

5. Place of Birth : \_\_\_\_\_  
जन्म-स्थान

6. Address : \_\_\_\_\_  
पता

7. Religion : \_\_\_\_\_  
धर्म

8. Do you belong to scheduled caste or scheduled tribe ?  
क्या आप अनुसूचित जाति या जनजाति के हैं ?

Scheduled Caste  
अनुसूचित जाति

Scheduled Tribe  
अनुसूचित जनजाति

Not Applicable  
लागू नहीं



9. Education :  
शैक्षणिक योग्यता

Illiterate अशिक्षित		Intermediate इन्टरमीडियेट, उपस्नातक	
Primary प्राथमिक		B. A./B. Sc. etc. स्नातक	
Middle माध्यमिक		Post-Graduates स्नातकोत्तर	
Matric/High School प्रवेशिका		Tech./Professional तकनीकी/व्यवसायिक प्रशिक्षण	

10. Employment History :  
नौकरी का व्योरा

S. No. संख्या	Designation पद	Deptt. विभाग	Date of Joining नौकरी लगने की तिथि	Date of Leaving नौकरी छोड़ने की तिथि	Pay & Grade वेतन	Satisfaction सन्तुष्टि		
						Satisfied सन्तुष्ट	Some what Satisfied थोड़ा बहुत सन्तुष्ट	Dis- satisfied असन्तुष्ट
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

**II. Information Related to Pension :**

**पेंशन से सम्बन्धित सूचना**

11. Do you know the rules etc. for sanction of pension ?

क्या आप पेंशन सैंक्शन के नियम आदि से परिचित हैं ?

Yes

हां

No

नहीं

12. Did not prepare in advance to get the sanction of the Pension in time ?

क्या आप ने पेंशन सैंक्शन के लिए पहले से कोशिश की थी ?

Yes

हां

No

नहीं

12.1. If yes, how many months in advance did you prepare ?

अगर हां, तो कितने महीने पहले से कोशिश शुरू की थी ?

---

13. When did you first apply for sanction of your pension ?

आपने पेंशन सैंक्शन के लिए सबसे पहले कब अर्जी दी ?

---

14. When was your pension sanctioned ?

आप की पेंशन कब सैंक्शन हुई ?

---

15. Did you have any difficulty in getting the sanction of pension ?

पेंशन सैंक्शन में आपको कोई कठिनाई तो नहीं हुई ?

Yes

हां

No

नहीं

15.1. If yes, could you please specify your difficulties ?

अगर हां, तो आपको क्या-क्या कठिनाईयां हुई ?

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16. Were any objections raised by A. G. C .R. or the Accounting authority before sanctioning the pension ?

पेंशन सैंक्शन होने से पहले ए. जी. सी. आर. या लेखा सम्बन्धी पदाधिकारी से कोई अड़चन तो नहीं हुई ?

Yes

No

हां

नहीं

16.1. If yes, please elucidate ?

अगर हां, तो इस पर प्रकाश डालिये ?

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17. Did you get your pension sanctioned within three months of retirement ?

रिटायर होने के तीन महीने के बीच क्या आपको आपकी पेंशन मिल गई ?

Yes

No

हां

नहीं

17.1. If no, for how much period you had to wait ?

अगर नहीं, तो आपको कितना इन्तजार करना पड़ा ?

1. Four to six months

१. चार से छः महीने

2. Six months to one year.

२. छः महीने से एक साल

3. One year and above

३. एक साल से ऊपर

18. What were the causes of delay ? Were they due to :

इस देरी का क्या कारण था ?

1. Loss of Records/Incomplete Records

१. रिकार्ड खो गए/अपूर्ण रिकार्ड

2. Attitude on part of dealing staff

२. कर्मचारियों के बर्ताव की वजह से

3. Rules and procedures

३. नियमों की वजह से

4. Departmental

४. विभागीय

5. Treasury

५. ट्रेजरी की वजह से

6. Employees own lapses

६. अपनी स्वयं की गलती से

7. DCRG——obstruction

७. मृत्यु एवं रिटायरमेंट ग्रेच्युटी के कारण

8. Any others

८. अन्य

19. How much monthly pension are you receiving ?

आपको कितनी मासिक पेंशन मिलती है ?

Total Rs.

कुल रु०

Amount of Pension Rs.

पेंशन की राशि रुपए में

D. A. Rs.

मंहगाई भत्ते की रकम रुपए में



20. At what periodicity do you collect your pension ?

आप किस समयान्तर से पेन्शन लेने जाते हैं ?

Monthly

मासिक

Bimonthly

द्विमासिक

Quarterly

त्रैमासिक

Half yearly

छः मासिक

Other

अन्य

21. Are you facing any difficulty in collecting your pension ?

आपको पेन्शन की राशि हासिल करने में कोई दिक्कत तो नहीं होती ?

Yes

हां

No

नहीं

21.1. If yes, specify the nature of difficulties ?

अगर हां, तो क्या आप इन दिक्कतों के बारे में कुछ बता सकते हैं ?

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22. Do you find your pension amount adequate to your needs ?

आपको पेन्शन की रकम अपनी जरूरत के लिए पर्याप्त मालूम होती है ?

Yes

हां

No

नहीं

22.1. If insufficient, how are you supplementing the pension income ? Is it by any of the following sources :

अगर अपर्याप्त है, तो आप इसे कैसे पूरा करते हैं ? निम्न किन उपायों से :

1. Self earnings

१. स्वयं काम करते हैं

2. Economising on certain items

२. खर्च पर बचत करते हैं

3. Help from children/relatives

३. बच्चों या रिश्तेदारों से मदद मिलती है

4. Borrowing

४. उधार लेते हैं

5. Any other source

५. अन्य

23. What is the proportion of your pension to the last pay drawn ?

आपके आखिरी वेतन का कौन सा अंश आपको पेन्शन के रूप में मिल रहा है ?

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24. What in your opinion should be the proportion of pension to the last average pay ?

आपके विचार में पेन्शन आखिरी औसत वेतन की कौन सी अनुपात होनी चाहिए ?

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25. Do you know about commutation of pension ?

आपको पेन्शन के कम्युटेशन के बारे में क्या कोई जानकारी है ?

Yes

No

हां

नहीं

25.1. Could you suggest the proportion to be adopted for commutation ?

आप की राय में किस अनुपात से कम्युटेशन निर्धारित होना चाहिए ?

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26. Did you earn the commuted pension ?

क्या आप ने कम्युटेशन हासिल की ?

Yes

No

हां

नहीं

27. In lieu of pension, would you prefer a Contributory Provident Fund Scheme ?

क्या आप पेन्शन की अपेक्षा अंश-दायक प्रोविडेंट फंड स्कीम पसन्द करेंगे ?

Yes

No

हां

नहीं

27.1. If yes, please let us know why you prefer Contributory Provident Fund :

यदि हां, तो अपनी पसन्द का कारण बताएं

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### III. Family Data :

पारिवारिक ब्योरा

28. To which category of the family do you belong ?

आप किस परिवार के अन्तर्गत आते हैं ?

Nuclear

Joint

एकक

संयुक्त

29. Family composition at present :

परिवार की वर्तमान बनावट :

S. No.	Relation to Pensioner	Sex	Age	Education	Monthly Salary	Approximate Help
क्रमांक	पेंशनर से सम्बन्ध	लिंग	आयु	शैक्षणिक योग्यता	मासिक वेतन	मदद का अनुमान
1						
2						
3						
4						
5						
6						
7						
8						
9						

30. How many dependents did you have at the time of retirement ?

रिटायर होने के समय आप पर कितने सदस्य आश्रित थे ?

IV. Economic Data :

आर्थिक ब्योरा

31. Besides pension did you receive any of the following funds :

पेंशन के अलावा क्या आपको कोई और निम्नलिखित रकम मिली :

- |                     |                   |
|---------------------|-------------------|
| 1. Gratuity         | १. ग्रेच्युटी     |
| 2. G.P.F.           | २. प्रोविडेंट फंड |
| 3. Insurance        | ३. बीमा           |
| 4. Commuted pension | ४. कम्युटेड पेंशन |
| 5. Others           | ५. अन्य           |

32. Were you in debt at the time of retirement ?

रिटायर होने के वक्त क्या आप कर्जदार थे ?

Yes

हां

No

नहीं



32.1. If yes, could you specify the amount and also recollect for what purpose it was taken ?

यदि हां, तो क्या आप बता सकते हैं कि आपने कितना और किस वजह से कर्ज लिया था ?

Amount Rs.  
रकम रुपयों में

- |              |                |
|--------------|----------------|
| 1. Sickness  | १. बीमारी      |
| 2. Marriage  | २. शादी        |
| 3. Education | ३. शिक्षा      |
| 4. Housing   | ४. गृह-निर्माण |
| 5. Household | ५. घर के खर्च  |
| 6. others    | ६. अन्य        |

33. Did you discharge the debts ?

क्या आपने कर्ज चुका दिया है ?

Yes  
हां

No  
नहीं

34. Did you incur any further debts after retirement ?

क्या आपने रिटायर होने के बाद कर्ज लिया ?

1. Before sanction of the pension  
पेंशन सैंक्शन होने से पूर्व

Yes  
हां

No  
नहीं

2. After sanction of the pension  
पेंशन सैंक्शन होने के बाद

Yes  
हां

No  
नहीं

34.1. If yes, please specify the amount and for what purpose it was taken ?

अगर हां, तो आपने कितना और किस वजह से कर्ज लिया ?

Before Sanction  
सैंक्शन से पूर्व

Amount Rs.  
रकम रुपयों में

After Sanction  
सैंक्शन के बाद

Amount Rs.  
रकम रुपयों में

- |              |                |
|--------------|----------------|
| 1. Sickness  | १. बीमारी      |
| 2. Marriage  | २. शादी        |
| 3. Education | ३. शिक्षा      |
| 4. Housing   | ४. गृह-निर्माण |
| 5. Household | ५. घर के खर्च  |
| 6. Any other | ६. अन्य        |

- |              |                |
|--------------|----------------|
| 1. Sickness  | १. बीमारी      |
| 2. Marriage  | २. शादी        |
| 3. Education | ३. शिक्षा      |
| 4. Housing   | ४. गृह-निर्माण |
| 5. Household | ५. घर के खर्च  |
| 6. Any other | ६. अन्य        |

35. Besides pension, do you get income from any of the following sources ?

पेंशन के अलावा क्या आपको निम्नलिखित किसी भी जरिए से आमदनी होती है ?

Amount Rs.  
रकम रुपयों में

- |   |                       |
|---|-----------------------|
| 1. Interest                             | १. सूद                |
| 2. Dividends                            | २. लाभांश             |
| 3. Rent                                 | ३. किराया             |
| 4. Remittance from relatives            | ४. रिश्तेदारों की मदद |
| 5. Earnings from employment or business | ५. अपना वेतन          |
| 6. Any other                            | ६. अन्य               |

Total

कुल

36. Were you staying in a rented or own house before retirement ?

रिटायर होने से पूर्व क्या आप निजी मकान में रहते थे या किराये के ?

- |                       |                  |
|-----------------------|------------------|
| 1. Rented             | 2. Own house     |
| १. किराये के मकान में | २. निजी मकान में |

37. How much money were you spending on 'housing' before retirement ?  
रिटायर होने से पूर्व आप 'मकान' पर कितना खर्च करते थे ?

Amount Rs.  
रकम रु० में

1. Rent per month १. मासिक किराया
2. Taxes and service charges per month २. टेक्स और अन्य सेवाओं पर मासिक खर्च
3. Total cost ३. कुल

38. Are you now staying in a rented house or in your own house ?  
क्या आप निजी मकान में रह रहे हैं या किराए के मकान में ?

1. Rented १. किराए के मकान में
2. Own house २. निजी मकान में

39. How much are you paying for housing after your retirement ?  
रिटायर होने के बाद मकान पर आप का कितना खर्च आ रहा है ?

1. Rent per month १. मासिक किराया
2. Taxes and service charges per month २. टेक्स और अन्य सेवाओं पर मासिक खर्च
3. Total cost ३. कुल

40. Data about accommodation :  
घर का व्योरा

Structure बनावट		No. of Living room रहने के कमरों की संख्या	Water Supply पानी की पूर्ति		Latrine				Distance of Available Services सेवाओं की दूरी					
Pucca पक्का	Kutcha कच्चा		Tap in the house घर के भीतर नल	From out- side & dis- tance बाहर नल दूरी	In the house घर में शौचालय		outside बाहर		Dispensary दवाखाना	School स्कूल	Shops दुकानें	Bus Stop बस अड्डा	Library लाइब्रेरी	Park पार्क
					Flush पलश	Dry सूखा	Flush पलश	Dry सूखा						

**V. Social and Economic Problems :**

**सामाजिक एवं आर्थिक समस्याएँ**

41. In your opinion, are there any social difficulties which particularly the pensioners face ?  
क्या आपकी राय में पेंशनरों को खास सामाजिक कठिनाइयाँ हैं ?

Yes

No

हां

नहीं

- 41.1. If yes, could you please mention any of them which are upper most in your mind ?  
अगर हां, तो आप की राय में जो मुख्य कठिनाइयाँ हैं, उनके बारे में बताएं ?

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- 41.2. In your opinion, what steps could be taken to solve these problems ?  
आप की राय में इन कठिनाइयों को कैसे दूर किया जा सकता है ?

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42. Do you keep contacts outside your family ?  
घर से बाहर लोगों के साथ क्या आप मेलजोल रखते हैं ?

Yes

No

हां

नहीं

- 42.1. If yes, how often do you move out or others come for this purpose ?  
अगर हां, तो आपका मेल जोल किस हद तक है ?

1. Very often

१. बहुत ज्यादा

2. Sometimes

२. कभी-कभी

3. Rarely

३. बहुत कम



43. What would you like to say about the respect given and status enjoyed by you after retirement from the following :

रिटायर होने के बाद निम्नलिखित लोगों से आपको किस तरह का आदर सत्कार मिलता है ?

Categories श्रेणी	Warm/Cordial अच्छा/आदर	Indifferent परवाह नहीं करते	Cold निरादर
Family Members घर के सदस्यों से			
Relations रिश्तेदारों से			
Caste and community members अपनी जाति एवं समूह के लोगों से			
Neighbours पड़ोसियों से			
Colleagues सहयोगियों से			
Society in general समाज से			

44. Do you think that there are specific problems that pensioners suffer from ?

क्या आपकी राय में पेन्शनरों की खास आर्थिक समस्याएं हैं ?

Yes  
हां

No  
नहीं

44.1. If yes, what kinds of problems do they have to face ?

अगर हां, तो कौन-सी मुख्य समस्याओं का सामना करना पड़ता है ?

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44.2. In your opinion, what steps would be taken to solve these problems ?

आपकी राय में इन कठिनाइयों को कैसे दूर किया जा सकता है ?

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45. What have you to say about the following arrangements for the retired pensioners :

पेंशनरों के लिए निम्नलिखित आयोजनों/इन्तजामों के बारे में आपकी क्या राय है ?

Categories श्रेणी	Desirable अच्छा इन्तजाम	Somewhat Desirable कुछ अच्छा इन्तजाम है	Not at all Desirable बिल्कुल अच्छा इन्तजाम नहीं है
Maintenance of Separate Residence अलग घर की व्यवस्था			
Living with Adult Children वयस्क संतान के साथ रहने की व्यवस्था			
Home for the Pensioners पेंशनरों के लिए निवास स्थान			
Pensioners' Colony पेंशनरों की कालोनी			
Special quota of houses in the residential colony अलग से घरों का कोटा दिया जाना			
Hostel/Hotel होस्टल/होटल			
Other अन्य			

46. (For those who mention about maintenance of separate residence) Would you like to get some sort of help from outside ?

(जो अलग घर की व्यवस्था के लिए कहें) क्या आप कुछ खास किस्म की मदद चाहेंगे ?

Yes  
हां

No  
नहीं

46.1. If yes, what kind of help would you like to avail ?

अगर हां, तो आप किस किस्म की मदद लेना पसन्द करेंगे ?

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47. Do you think that your way of life has changed after retirement ?

क्या आपकी राय में रिटायर होने के बाद आपकी रोजमर्रा की जिन्दगी में कुछ फर्क आया है ?

Yes

No

हां

नहीं

47.1. If yes, what changes would you consider worth mentioning ?

यदि हां, तो कुछ खास फर्क जो आप की नजर में हो, उनके बारे में कुछ बताने की कृपा करें ?

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#### VI Health :

स्वास्थ्य :

48. Are you suffering or have you had any health problem after your retirement ?

क्या आपकी कोई स्वास्थ्य-संबंधी तकलीफ है या रिटायर होने के बाद हुई है ?

Yes

No

हां

नहीं

48.1. If yes, what is/was the matter with you ?

यदि हां, तो अपनी तकलीफ के बारे में हमें कुछ बताइये ।

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49. Do you find any difficulty in doing your daily chores ?

रोजमर्रा के काम करने में आपको किसी तरह की तकलीफ तो नहीं होती ?

Yes

No

हां

नहीं

49.1. If yes, could you please throw some light on the nature of the difficulties ?

यदि हां, तो आप क्या हमें उन तकलीफों के बारे में कुछ बताएंगे?

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50. How do you think you are/would be looked after during your illness by the following categories of the people ?

अगर आपको कुछ तकलीफ हो तो आपकी राय में निम्नलिखित लोग आपकी देखभाल कैसे करेंगे ?

Categories श्रेणी	Very well बहुत अच्छी तरह	Fairly well ठीक-ठाक	Not well लापरवाही से
Family Members घर के सदस्य			
Govt. Hospitals/Dispensaries सरकारी अस्पताल/दवाखाना			
Private Doctors/Nursing Homes प्राइवेट डाक्टर			
Relatives रिश्तेदार			
Neighbours पड़ोसी			
Others अन्य			

#### VII. Leisure Time Activities :

फुर्सत की घड़ियों के काम

51. Did you give any thought before retirement as to how would you utilise your time after retirement ?

क्या आपने रिटायर होने से पहले इस बात का विचार किया था कि रिटायर होने पर आप अपने समय का कैसे उपयोग करेंगे ?

Yes

No

हां

नहीं

51.1. If yes, what were your plans ?

यदि हां, तो आपने इस बारे में क्या सोचा था ?

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51.2. Could you materialise your plans ?

क्या आप ने जो सोचा था, उसे आप पूरा कर पाए ?

Yes

No

हां

नहीं

51.3. If no, what were the reasons for not getting them materialised ?

यदि नहीं, तो न पूरा करने की क्या वजह थी ?

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52. How do you keep yourself occupied ?

आप अपने को किस तरह व्यस्त रखते हैं ?

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53. Are you satisfied with the way you are spending your retired life ?

क्या जिस तरह आप अपने को व्यस्त रखते हैं, उससे आप संतुष्ट हैं ?

Yes

No

हां

नहीं

53.1. If no, how would you like to utilise your time ?

अगर नहीं, तो आप अपना समय किस तरह बिताना चाहेंगे ?

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54. Would you like to get together and have group recreation ?

क्या आप लोगों के साथ मिल-जुल कर समय व्यतीत करना पसन्द करेंगे ?

Yes

No

हां

नहीं

54.1. If yes, what would be your choice of recreational activities, such as, the following :

अगर हां, तो निम्नलिखित मनोरंजन क्रियाओं में से आप कौन-सी पसन्द करेंगे ?

Categories श्रेणी	Would be very willing पसन्द करेंगे	Somewhat willing थोड़ा बहुत पसन्द करेंगे	Not willing at all नापसन्द करेंगे
Picnics पिकनिक			
Excursion/outings बाहर घूमना			
Regular Club क्लब			
Informal Education अपैचारिक शिक्षण/प्रशिक्षण			
Others अन्य			

55. Would you like to have the facilities exclusively for the pensioners or would you like to mix with the other people ?

क्या आप बाकी लोगों के साथ मिल-जुल कर आनन्द लेना चाहेंगे या सिर्फ पेन्शनरों के साथ ?

Exclusively for pensioners

सिर्फ पेन्शनरों के साथ

Mixing with others

मिलजुल कर

55. 1. Please give reasons for your preference ?

आपके विचार ऐसे क्यों हैं ?

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**VIII. Interviewer's General Evaluation of the Respondent :**

साक्षात्कारक द्वारा प्रतिवादी का मूल्यांकन

Categories	Good	Fair	Bad
श्रेणी	अच्छा	कुछ अच्छा	बुरा
Motivation			
प्रेरणा			
Physical Health			
शारीरिक स्वास्थ्य			
Mental Alertness			
मानसिक सतर्कता			
Any other			
अन्य			

**IX. Endorsement by the Investigator :**

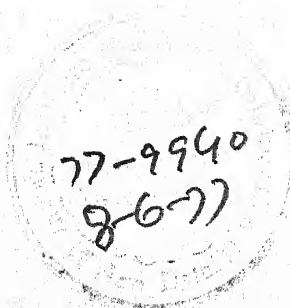
निरीक्षक द्वारा पुष्टि

Signature of Investigator

निरीक्षक के हस्ताक्षर

**X. Supervisor's Assessment :**

परिनिरीक्षक द्वारा मूल्यांकन



Signature of Supervisor

परिनिरीक्षक के हस्ताक्षर